

9 November 2023

Reset Mind Sciences Limited
ACN 650 593 598



Prospectus

The Offers comprise:

- (a) a priority offer to Eligible LGP Shareholders of up to 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$1,000,000 (before costs) (**Priority Offer**);
- (b) an offer of up to 2,500,000 Shares to raise up to \$500,000 (before costs) to select investors in Australia, the United Kingdom and Switzerland who have received an invitation from the Chairperson or the Company (**Chair's List Offer**); and
- (c) an offer of up to 2,500,000 Shares to raise up to \$500,000 (before costs) to the general public in Australia and select investors in the United Kingdom and Switzerland, with the ability to accept oversubscriptions of up to \$1,000,000 (before costs) (**Public Offer**),

(collectively, the **Offers**).

The Offers are partially underwritten by LGP. Refer to Section 8.7 for a summary of the material terms and conditions of the Partial Underwriting Agreement. It is proposed that the Offers will close at 5:00pm (AWST) on 1 December 2023 (**Closing Date**). The Company reserves the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

Important notice

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus.

Investment in the Shares offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Shares.

Reset is an unlisted public company and does not intend to seek a listing on a recognised securities exchange. Following the Offers there will be no public or active market for the trading of Shares in Reset. Reset does not currently have a sale mechanism in place for its Shares. There is a risk that there will be no or limited opportunities for the sale of Shares. Shareholders should also refer to Section 4.1(d) for further information.

Table of contents

Important information	ii
Corporate directory	v
Letter from the Chair	vi
Key details of the Offers	vii
Indicative timetable	viii
Investment overview	ix
1. Details of the Offers	1
2. Company overview	18
3. Industry overview	29
4. Risk factors	36
5. Financial information	51
6. Australian tax considerations	52
7. Board, management and corporate governance	55
8. Material contracts	61
9. Additional information	71
10. Authorisation	79
11. Glossary of terms	80
Independent Limited Assurance Report	86

The Offers

This Prospectus is issued by Reset Mind Sciences Limited (ACN 650 593 598) (**Company**) for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The Offers contained in this Prospectus are for: (i) a priority offer to Eligible LGP Shareholders of up to 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$1,000,000 (before costs) (**Priority Offer**); (ii) an offer of up to 2,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$500,000 (before costs) to select investors in Australia, the United Kingdom and Switzerland who have received an invitation from the Chairperson or the Company (**Chair's List Offer**); and (iii) an offer of up to 2,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$500,000 (before costs) to the general public in Australia and select investors in the United Kingdom and Switzerland, with the ability to accept oversubscriptions of up to \$1,000,000 (before costs) (**Public Offer**) (collectively, the **Offers**).

Lodgement

This Prospectus is dated, and was lodged with ASIC on, 9 November 2023 (**Prospectus Date**). ASIC (or its respective officers) takes no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information in this Prospectus is not investment or financial product advice and does not take account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest in the Company. See Section 4 for the key risks relating to an investment in the Company, noting there may be other risks relevant to your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or any return on investment in Shares made pursuant to this

Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors or any other person in connection with the Offers.

The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their share certificate.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and Applicants will be refunded their Application Monies (without interest). Please see Section 1.6 for further details on the conditions attaching to the Offers.

Electronic Prospectus and Application Forms

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at www.resetmind.com.au to only persons in Australia, and certain investors in the United Kingdom and Switzerland. Application Forms will not be made available until after the Exposure Period has expired.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be resident in Australia

and, subject to the restrictions in Sections 1.15 to 1.16, certain residents in the United Kingdom and Switzerland, and must only access this Prospectus from within Australia, the United Kingdom and Switzerland.

The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer to apply for Shares. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the offer period by contacting the Company as detailed in the Corporate Directory. Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Offers should complete the relevant Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Notice to foreign investors (excluding the United Kingdom and Switzerland)

No action has been taken to register or qualify the Shares the subject of this Prospectus or the Offers, or otherwise to permit the offering of the Shares, in any jurisdiction outside Australia.

Subject to the provisions outlined in Sections 1.15 to 1.16, certain investors in the United Kingdom and Switzerland are eligible to participate in the Offers.

The distribution of this Prospectus in jurisdictions outside of Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

Notice to investors in the United Kingdom

See Section 1.15 of this Prospectus.

Notice to investors in Switzerland

See Section 1.16 of this Prospectus.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors and other officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for Shares under this Prospectus. You should consult your own professional tax advisers in regard to tax implications of the Offers.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

The Company does not undertake to, and do not intend to, update or revise any forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risks that could cause the Company's actual results to

differ materially from the results expressed or anticipated in these statements. Forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 4. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company, the Directors and the Company's management cannot and do not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Third party statements

This Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon ASIC Corporations (*Consents to Statements*) Instrument 2016/72 for the inclusion of these statements in this Prospectus without such consent having been obtained.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.



Disclaimer

Except as required by law, and only to the extent so required, none of the Company, the Directors, the Company's management or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Company website

Any references to documents included on the Company's website at www.resetmind.com.au are for convenience only, and none of the documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to '\$' or '\$' are references to Australian dollars.

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 11.

Board of Directors

Honourable Cheryl Edwardes AM
*Independent Non-Executive Director
and Chairperson*

Angus Caithness
Executive Director

Shaun Duffy
Non-Executive Director

Dr Leon Warne
Alternate Director to Shaun Duffy



Company Secretary

Michaela Stanton-Cook

Registered and Principal Office

13A Bedbrook Place
Shenton Park WA 6008

Phone: +61 1300 061 504
Email: info@resetmind.com.au
Website: www.resetmind.com.au

Corporate Lawyers

Hamilton Locke Pty Ltd
Central Park, Level 48
152-158 St Georges Terrace
Perth WA 6000

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry*

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Website: automicgroup.com.au

Auditor*

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.



Dear Investor

On behalf of the Board of Reset Mind Sciences Limited (**Reset** or the **Company**), I am pleased to present this Prospectus and to invite you to become a Shareholder in the Company.

Reset was established in 2021 as a wholly owned subsidiary of Little Green Pharma Ltd (**LGP**), a global vertically integrated medicinal cannabis company, to capitalise on LGP's knowledge, track record, infrastructure and regulatory approvals to pursue a business in the field of psychedelic medicines. Reset is now being demerged from LGP into a standalone company.

Reset has been at the forefront of the development of the psychedelics industry in Australia over the last two years with a dual track focus on working towards the production of pharmaceutical grade mushroom-derived psilocybin and a clinical trial to test, refine and develop best practice psychotherapy protocols to accompany administration of psilocybin. There is an increasing body of research both globally and within Australia, into the use of psychedelic drugs to treat mental health conditions such as depression, anxiety and post-traumatic stress disorder.

Reset is now uniquely positioned to capitalise on the significant body of work it has assembled following a decision from the Therapeutic Goods Administration (**TGA**) in early 2023 to reclassify psilocybin and MDMA allowing their prescription by authorised psychiatrists under strictly defined parameters from 1 July 2023.

Following this announcement from the TGA, Reset has formed a strategic alliance with private health insurer Health Insurance Fund of Australia Pty Ltd (**HIF**) to develop a proof-of-concept mental health care facility in Western Australia offering psychedelic assisted psychotherapy, undertake a health economics study to inform potential future health insurance coverage and agreed a period of exclusivity to negotiate joint development of future treatment centres.

The Demerger of Reset from LGP and associated Capital Raising will provide the Company with the dedicated capital, management team and facilities to advance the development of mental health treatment using psychedelic medicines. Ultimately, Reset intends to be both a treatment provider and producer of pharmaceutical grade mushroom-derived psilocybin.

The Demerger will be effected by distributing Shares in the Company (currently held by LGP) to Eligible LGP Shareholders by way of a pro rata in-specie distribution, on the basis of 1 Reset Share for approximately every 30 LGP Shares held on the In-specie Record Date (**In-specie Distribution**).¹ The outcome of this process is that Eligible LGP Shareholders will hold the same percentage ownership in Reset as they do in LGP prior to the Company's proposed Capital Raising.

LGP will be convening a meeting of its members on 11 December 2023 to seek the necessary approvals under sections 256B and 256C of the Corporations Act for the In-specie Distribution. Under this Prospectus and, in connection with the Demerger, the Company is seeking to raise up to \$2,000,000 (before costs) by the issue of up to 10,000,000 Shares under the Offers. The Company reserves the right to accept oversubscriptions under the Public Offer of up to \$1,000,000. Any Shares not taken up pursuant to the Priority Offer and the Chair's List Offer will form the shortfall and be offered under the Public Offer, on and in accordance with the terms set out in this Prospectus.

The proceeds from the Offers will be used to:

1. fund clinical trials;
2. clinic setup and ongoing operational costs;
3. psilocybin cultivation and production research and development; and
4. provide working capital.

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (see Section 4).

Before deciding on whether to invest in the Company, you should read this Prospectus carefully and, in its entirety, and consult with your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

We look forward to welcoming you as a Shareholder should you decide to take up Shares pursuant to the Offers.

Yours faithfully

Honourable Cheryl Edwardes AM
Independent Non-Executive Director and Chairperson
Reset Mind Sciences Limited

¹The number of LGP Shares on issue may increase prior to the In-specie Record Date which will reduce the number of Reset Shares to be issued under the In-specie Distribution.

Key details of the Offers

Key details of the Offers ⁽¹⁾	Number
Shares on issue at Prospectus Date	100
Shares to be distributed under the In-specie Distribution ⁽²⁾	10,000,000
Shares to be issued under the Priority Offer	5,000,000
Shares to be issued under the Chair's List Offer	2,500,000
Shares to be issued under the Public Offer ⁽³⁾	2,500,000
Total Shares on issue upon completion of the Offers⁽⁴⁾	20,000,100
Options⁽⁵⁾	800,000
Indicative market capitalisation upon completion of the Offers⁽⁶⁾	\$4,000,020

Notes:

1. See Section 1.9 for further details relating to the current and proposed capital structure of the Company.
2. This number is based on the share capital of LGP as at the Prospectus Date and a pro rata in-specie distribution based on 1 Reset Share for approximately every 30 LGP Shares held on the In-specie Record Date. The number of LGP Shares on issue may increase prior to the In-specie Record Date which will reduce the ratio of Reset Shares to be issued per LGP Share under the In-specie Distribution.
3. The Company reserves the right to accept oversubscriptions under the Public Offer of up to \$1,000,000. Any Shares not taken up pursuant to the Priority Offer and the Chair's List Offer will form the shortfall and be offered under the Public Offer, on and in accordance with the terms set out in this Prospectus.
4. The total number of Shares to be on issue following completion of the Demerger, In-specie Distribution and Offers, assumes no further LGP Shares are issued.
5. 500,000 Options to be issued to Shaun Duffy in connection with his previous position as Chief Executive Officer of the Company. Mr Duffy transitioned to a Non-Executive Director on 7 November 2023. A further 300,000 Options will be issued in tranches of 100,000 Options to executives of LGP (Paul Long – Chief Executive Officer, Fleta Solomon – Executive Director and Alistair Warren – General Counsel) as remuneration for their services to the Demerger. See Section 9.2 for the terms and conditions of the Options.
6. Based on the Offer Price multiplied by the number of Shares on issue on completion of the Offers.

Indicative timetable

Event	Date
Lodgement of Prospectus with ASIC	9 November 2023
Priority Offer Record Date	9 November 2023
Opening Date for the Offers	17 November 2023
Closing Date for the Offers	1 December 2023
General meeting of LGP Shareholders to approve the In-specie Distribution	11 December 2023
Completion of transfer of Spin-Out Assets	12 December 2023
Effective date of In-specie Distribution	12 December 2023
Last day for LGP Shares trading cum In-specie Distribution	13 December 2023
In-specie Record Date	15 December 2023
In-specie Distribution of Reset Shares to LGP Shareholders Despatch of share certificates for Reset Shares distributed under the In-specie Distribution	22 December 2023
Issue of Shares under the Offers Despatch of share certificates for Shares issued under the Offers	22 December 2023

Notes: The dates shown in the table above are indicative only and may vary subject to the Corporations Act and other applicable laws. The Board reserves the right to vary the dates and times of the Offers (including, to vary the Opening Date and Closing Date, to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offers before Completion) in each case without notifying any recipient of this Prospectus or any Applicants, which may have a consequential effect on other dates. If the Offers are cancelled or withdrawn before the allotment of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company.

Investment overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
The Company, its business model and strategy		
Who is the issuer of the Prospectus?	Reset Mind Sciences Limited (ACN 650 593 598) (Reset or Company).	Section 2.1
Who is the Company and what does it do?	<p>Reset was established as a wholly owned subsidiary of LGP, a global vertically integrated medicinal cannabis company, as a research and development company focused on psychedelic medicines.</p> <p>Under the Demerger:</p> <ul style="list-style-type: none"> (a) Reset will acquire the Spin-Out Assets from LGP; and (b) Reset will be demerged from LGP as a standalone company. <p>Reset has a dual track focus on working towards the production of pharmaceutical grade mushroom-derived psilocybin and a clinical trial to test, refine and develop best practice psychotherapy protocols to accompany administration of psilocybin.</p> <p>Reset is uniquely positioned to capitalise on the significant body of work it has assembled following a decision from the TGA in early 2023 to reclassify psilocybin and MDMA allowing their prescription by authorised psychiatrists under strictly defined parameters from 1 July 2023.</p>	Sections 2.1, 2.2, and 2.3
What is the Company's business model, growth strategy and key objectives?	<p>Since its inception, Reset has been focused on building the foundations that will ultimately allow it to have two primary areas of focus. In the long-term, Reset is focused on two primary components of PAP:</p> <ul style="list-style-type: none"> (a) production and distribution of the psychedelic drug, psilocybin; and (b) development of mental health care facilities offering psychedelic assisted psychotherapy, either on a standalone basis and/or in partnership with established mental healthcare facilities. <p>Reset intends to leverage its expected capabilities in drug production and therapy best-practice to develop the most suitable long term sustainable business model from the delivery of PAP. At this early stage in the emergence of the psychedelics field in</p>	Sections 2.5 and 2.7

Topic	Summary	More information
	<p>Australia, Reset believes it is appropriate to maintain flexibility in its business model to respond to the evolving market while also ensuring it is best placed to capitalise on the emergence of the industry in Australia.</p> <p>Over the next 18 months, the Company intends to:</p> <ul style="list-style-type: none"> (a) ramp up and refine cultivation activities at the dedicated mushroom cultivation facility on-site at LGP's existing West Australian cannabis cultivation and production facility; (b) fully operationalise the clinic, office and GMP manufacturing facility at Shenton Park; (c) develop and refine psilocybin production techniques with a view to ultimately achieving GMP certification for psilocybin manufacturing at the Shenton Park Facility; (d) commence clinical trial including, recruiting patients and commencing patient treatment. The clinical trial is expected to take at least 12 months to complete from patient recruitment; (e) establish proof-of-concept clinic and commence patient treatment under AP pathway; and (f) build relationships with researchers and clinicians in Australia regarding the supply of psychedelic drugs. 	
<p>How does the Company propose to achieve its objectives?</p>	<p>The Company intends to achieve its objectives by executing a strategic plan covering, but not limited to:</p> <ul style="list-style-type: none"> (a) produce and supply GMP compliant psilocybin from mushrooms grown in-house or sourced from reputable third-party suppliers through capitalising on the knowledge, track record, infrastructure and regulatory approvals of its parent company, LGP; (b) develop its own best practice and evidence-based protocols, be backed by clinical trial work; (c) a strategic alliance with private health insurer HIF to develop a proof-of-concept mental health care facility offering PAP, undertake a health economics study to inform potential future health insurance coverage and agreed a period of exclusivity to negotiate joint development of future treatment centres. 	<p>Sections 2.5</p>
<p>What are the key dependencies of the Company's business model?</p>	<p>The Company's business model is dependent on the following key dependencies:</p> <ul style="list-style-type: none"> (a) AP designation: The Company's proof-of-concept clinic is dependent on psychiatrists achieving AP designation from the TGA in order to commence operations. The Company believes it is well placed to support appropriately qualified psychiatrists to achieve AP status given the treatment 	<p>Sections 2.5</p>

Topic	Summary	More information
	<p>protocols it has developed for its clinical trial which have received HREC approval and it can draw on LGP's extensive experience with the AP pathway in the medicinal cannabis industry.</p> <p>(b) Down-scheduling of psilocybin: the AP pathway set down by the TGA provides for down-scheduling of psilocybin and MDMA on a case-by-case basis under strictly defined parameters. Outside of these circumstances, psilocybin and MDMA remain Schedule 9 Prohibited Substances for all other purposes including clinical trials. Wider down-scheduling may be required to facilitate broader demand for psilocybin and MDMA.</p> <p>(c) Licencing: The successful execution of the Company's psilocybin business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions and obtaining all other required regulatory approvals for the import, possession, supply and manufacture of psilocybin. The Company's ability to execute its business model and undertake its growth strategy is dependent on LGP's ability to maintain its current and proposed psilocybin licences and permits, including until such time as Reset obtains its own equivalent licences.</p> <p>(d) GMP certification: supplying psilocybin is dependent on the Company receiving GMP certification for psilocybin production. The Company has no reason to believe that it will not receive GMP certification in the future.</p> <p>(e) Therapeutic Goods Order (TGO): Based on information available to the Company, the Company expects the TGA will issue a TGO in respect of the standards and specifications required for psilocybin, however as at the Prospectus Date it is not known when this will occur. The Company would be required to meet these requirements for any psilocybin manufactured and supplied.</p>	
<p>Will the Company require more capital?</p>	<p>The Company is a newly incorporated subsidiary of LGP for Demerger purposes. To date, the Company's operations have been funded by LGP pursuant to a loan arrangement. The Company has accrued a loan amount to LGP which is estimated to be up to \$2,250,000 at the completion of the Offers. See Section 8.4 for the material terms and conditions of the Loan Agreement. See also Section 4.1(c) regarding the risks associated with the Loan Agreement on the Company's future capital requirements.</p> <p>The Company's planned activities and business strategy generally as set out in Section 2 will initially be funded by the funds raised under the Capital Raising. However, the Directors</p>	<p>Sections 2.9</p>

Topic	Summary	More information
	anticipate the Company will in the future require additional capital to further its activities. The amount and nature of any such additional funding will be determined based on market conditions and the needs of the business at the relevant time. See also Section 4.1(b) regarding the Company's future capital requirements.	
Key risks		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in Section 4, and other general risks applicable to all investments in securities, may affect the value of the Shares in the future. An investment in the Company should be considered speculative. Investors may lose some or all of their investment.</p> <p>A non-exhaustive list of the key risk factors affecting the Company is set out below. Investors should refer to Section 4 for a more detailed summary of risks. The occurrence of any one of the risks below could adversely impact the Company's operating and financial performance.</p>		
Authorised Prescriber designation	The Company's proof-of-concept clinic is dependent on psychiatrists achieving AP designation from the TGA in order to commence operations. The Company believes it is well placed to support appropriately qualified psychiatrists to achieve AP status given the treatment protocols it has developed for its clinical trial which have received HREC approval and it can draw on LGP's extensive experience with the AP pathway in the medicinal cannabis industry. Despite this, there are however no guarantees this process will successful. If Reset's current support program for appropriately qualified psychiatrists to achieve AP status based on its existing treatment protocols is unsuccessful, and Reset is also unable to suitably modify its treatment protocols to enable psychiatrists to achieve HREC approval and AP status, then Reset's commercial and regulatory offering to psychiatrists will be reduced, with Reset's offering limited to engaging with psychiatrists who have already achieved AP status and who require clinical facilities and access to psilocybin products to undertake treatment. This could adversely affect the Company's business, financial condition, and prospects.	Section 4.1(a)
Loss making operation, future capital needs and additional funding	<p>Reset was incorporated in 2021 and is yet to generate revenue. Accordingly, as at the Prospectus Date, Reset is loss making and is not cash flow positive, meaning it is reliant on raising funds from investors to continue to fund its operations and product development.</p> <p>The Company intends to spend significant funds to grow its operations. As the Company continues to grow, expenses will continue to exceed revenue, resulting in further net losses in the future. Although the Directors consider that Reset will, on completion of the Offers, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated working capital and other capital requirements set out in this Prospectus,</p>	Section 4.1(b)

Topic	Summary	More information
	<p>there can be no assurance that such objectives can continue to be met in the future without securing further funding.</p> <p>The future capital requirements of Reset will depend on many factors, including the pace and magnitude of the development of its business, and the Company may need to raise additional funds from time to time to finance the ongoing development and to meet its other longer-term objectives particularly given the Company will not be able to raise funds from the issue of quoted Securities on a recognised stock exchange. In addition, the risks and uncertainties associated with supplying and manufacturing psilocybin products, including future regulatory changes and developments in the industry more generally, means the Company is unable to accurately predict when, or if, it will be able to achieve profitability. Even if profitability is achieved in the future, it may not be sustained for subsequent periods potentially affecting the Company's ability to raise capital, expand its business or continue its operations.</p> <p>The continued development of the Reset business may require additional funding following the closing of the Offers, and there is no assurance that the Company will obtain the funding necessary on acceptable terms or at all to be able to achieve its business objectives. The Company's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its planned expansion, development or research. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable. If the Company continues to incur losses in the future, the net losses and negative cash flows may have an adverse effect on shareholders' equity and working capital.</p>	
Loan risk	<p>The Company is party to the Loan Agreement under which the Company is required to repay an amount to LGP which is estimated to be up to \$2,250,000 at completion of the Offers, with interest accruing at 10% per annum.</p> <p>In the event the funds owing under the Loan Agreement are not repaid by the Maturity Date, the outstanding funds owing under the Loan Agreement convert into Shares in the Company, which may cause LGP to acquire a substantial voting power in the Company. To illustrate LGP's maximum potential relevant interest in the Company on conversion of the Loan under several scenarios, see Section 1.4.</p>	Section 4.1(c)

Topic	Summary	More information
	<p>To the extent that conversion of the funds owing under the Loan Agreement would cause LGP to increase its voting power in the Company:</p> <p>(a) from 20% or below to above 20%; or</p> <p>(b) from a starting point of above 20% and below 90%,</p> <p>Shareholder approval would be required in order to approve the increase in voting power in accordance with Item 7 of section 611 of the Corporations Act.</p> <p>In the event that Shareholders did not approve the increase in voting power, Reset would still be required to repay the funds owing under the Loan Agreement in cash (less the value of any Shares issued to LGP that would not require the prior receipt of Shareholder approval, if applicable). There is no guarantee the Company will have sufficient capital available to repay the funds owing under the Loan Agreement following the Offers including if Shareholders did not approve the increase in the voting power. Accordingly, the Company may be required to seek urgent alternative funding arrangements, whether that be through a debt provider or through an equity raising. The Company cautions investors that there can be no certainty that such alternate funding will be available on acceptable terms, or indeed at all. Failure to obtain such alternate funding would have a material adverse effect on Reset's operations, financial performance and financial position. Furthermore, failure to repay the funds owing under the Loan Agreement would mean Reset would be in default of its obligations under the Loan Agreement, which would have a significant adverse impact on Reset's ability to continue as a going concern.</p>	
<p>Liquidity risk</p>	<p>Reset is an unlisted public company and does not intend to seek a listing on a recognised securities exchange. Following the Offers, there will be no public or active market for the trading of Shares in Reset. There is a risk that there will be no or limited opportunities for the sale of Shares.</p> <p>Reset does not currently have a sale mechanism in place for its Shares. Shareholders looking to sell their Shares are encouraged to speak to the stockbrokers or otherwise contact the company secretary at cosec@resetmind.com.au to register their intention to deal in the Shares. There are no guarantees that the registration of such intention will lead to a sale of the relevant Shares.</p> <p>Shares may be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer. In some circumstances, the Directors may</p>	<p>Section 4.1(d)</p>

Topic	Summary	More information
	<p>refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel.</p> <p>There may be no or relatively few potential buyers or sellers of the Reset Shares at any given time. This may affect the prevailing market price at which Shareholders are able to sell their Reset Shares. This may result in Shareholders receiving a market price for their Reset Shares that is more or less than the price Shareholders paid for their Shares.</p>	
<p>Maintaining and expanding psilocybin licences and regulatory risk</p>	<p>The successful execution of the Company's psilocybin business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions and obtaining all other required regulatory approvals for the import, possession, supply and manufacture of psilocybin.</p> <p>The Company's ability to execute its business model and undertake its growth strategy is dependent on LGP's ability to maintain its current and proposed psilocybin licences and permits, including until such time as Reset obtains its own equivalent licences. LGP holds:</p> <ul style="list-style-type: none"> (a) a licence to import (Licence No, 2223320), issued under the Customs (Prohibited Imports) Regulations 1956 (Cth) (CPIRs). The licence authorises LGP to import psilocybin generally into Australia. Australian pharmaceutical import licences are granted on an annual basis (1 January to 31 December), with LGP's licence valid from between 1 January 2023 to 31 December 2023; and (b) a Schedule 9 licence to possess and supply psilocybin (Licence 29042), which is valid until 7 August 2024. The Schedule 9 licence permits certain individuals to possess psilocybin at premises identified on the licence. LGP must ensure that any person or entity to whom it supplies psilocybin (for example, for the purposes of creating psilocybin capsules or for use in clinical trials) also holds a Schedule 9 licence or permit under the Medicines and Poisons Act 2014 (WA) (MP Act) or equivalent legislation in other Australian states and territories, or is otherwise authorised to possess and use, the substance. <p>While LGP intends to submit renewal and variation applications of its existing licences and permits by the requisite dates and is not aware of any reason why the relevant bodies would refuse to renew or vary the licences and permits, the Company cannot guarantee that the licences or permits will be renewed or varied in a timely manner or at all.</p> <p>Existing licenses and permits and any new licenses and permits obtained in the future in Australia or other jurisdictions may also be revoked or restricted at any time should LGP fail to comply with the applicable regulatory requirements or with conditions set</p>	<p>Section 4.1(g)</p>

Topic	Summary	More information
	<p>out under those licenses and permits. Should the licenses or permits be revoked or not renewed, LGP may not be able to import psilocybin into Australia, possess and supply psilocybin in Australia or manufacture psilocybin.</p> <p>As the psilocybin industry continues to evolve, it is likely that there will continue to be changes to existing legislation and/or the application, interpretation and enforcement of the legal and pharmaceutical requirements in many jurisdictions which govern the operations and contractual obligations of LGP and the Company.</p> <p>The above factors could all impact adversely on the operations and the financial performance of the Company, and in some cases the psilocybin industry in general.</p> <p>The Company has leased the Shenton Park Facility that will require an additional granting of a Schedule 9 licence in respect of Reset's intention to possess, store, supply and manufacture psilocybin from that site. In addition, the site will require certification from the TGA of its GMP compliance in order to undertake manufacturing activities. While the Company is confident of achieving the necessary licence and certification at its Shenton Park Facility there can be no guarantee these will be achieved.</p> <p>In the absence of receiving this licence and certification, the Company is reliant on, amongst other things, the rights granted by LGP to use its facilities under the Exclusive Supply and Services Agreement (ESSA), and the provision of technical personnel under the Professional Services Agreement (PSA), summaries of which are in Sections 8.2 and 8.3, respectively. If the Company is not able to procure a Schedule 9 licence and GMP certification under its own or alternative arrangements within the 3-year term of the ESSA and PSA, the Company will be required to engage with third parties in Australia or overseas to provide such capabilities or services to Reset. There is no guarantee the Company will be able to procure such services from third parties on terms acceptable to the Company, or indeed at all. To that end, the Company may be solely reliant on importing or procuring psilocybin finished products directly from third-party suppliers, resulting in additional costs and supply uncertainties to the Company.</p>	
Contractual risk	<p>To help support the Company during its transition following the Demerger, the Company and LGP are parties to the ESSA and PSA, which enable (amongst other things) the ongoing supply of psilocybin products, the utilisation of LGP's specialised facilities (including to co-locate Reset's mushroom growing facility at LGP's existing Schedule 9 licensed cannabis cultivation site), and provision of technical and professional services until such time as Reset is able to cultivate, manufacture and import</p>	Section 4.1(h)

Topic	Summary	More information
	<p>psilocybin under its own or alternative arrangements. See Sections 8.2 and 8.3 for further details regarding the ESSA and PSA.</p> <p>If either or both the ESSA or PSA are terminated, then the Company will be required to (amongst other things) find another site capable of operating the specialised mushroom growing facility and another party which can provide GMP mushroom product manufacturing services. The Company is currently investigating whether it can utilise its Shenton Park Facility to store and operate the specialised mushroom cultivation facility and is undertaking development activities to secure its own GMP licence at the Shenton Park Facility to manufacture psilocybin products, to mitigate any residual risk of an early termination of the ESSA and PSA. However, if the ESSA is terminated prior to the Company being able to cultivate, manufacture and import psilocybin under its own or alternative arrangements and is not able to find another location or third-party source for GMP manufacturing services, it will not be able to offer its own manufactured products to customers and would be required to source alternative products, including synthetic products, from third parties. There is no guarantee the Company will be able to procure such products from third parties on terms acceptable to the Company, or indeed at all. If the PSA is terminated, the Company will need to rapidly hire staff to provide replacement support services and may need to engage consultants to help manage skills gaps. Accordingly, if either or both the ESSA or PSA are terminated, this will result in additional costs and delays in executing the Company's strategy and operations. Furthermore, termination of the ESSA or PSA prior to the Company being able to cultivate, manufacture and import psilocybin under its own or alternative arrangements, could adversely affect the Company's business, financial condition, and prospects.</p> <p>Reset has also secured a long-term commercial lease agreement for a unique property that incorporates office, the Initial Clinic and a previously certified GMP manufacturing facilities in the Perth suburb of Shenton Park. A detailed description of the Shenton Park Lease Agreement is set out in Section 8.6.</p> <p>If the Shenton Park Lease Agreement is terminated, the Company will not be able to:</p> <ul style="list-style-type: none"> (a) offer its Initial Clinic related services to patients until the Company is able to secure a substitute location; and (b) undertake its own GMP manufacturing services or other psilocybin production activities at the Shenton Park Facility, <p>which could result in additional costs and delays in executing the Company's strategy and could adversely affect the Company's business, financial condition, and prospects. Furthermore, a</p>	

Topic	Summary	More information																									
	termination of the Shenton Park Lease Agreement may result in the Company being in default of its obligations under the HIF Strategic Alliance Agreement.																										
Down-scheduling psilocybin	The AP pathway set down by the TGA provides for down-scheduling of psilocybin and MDMA on a case-by-case basis under strictly defined parameters. Outside of these circumstances, psilocybin and MDMA remain Schedule 9 Prohibited Substances for all other purposes including clinical trials. Wider down-scheduling may be required to facilitate broader demand for psilocybin and MDMA.	Section 4.1(e)																									
Directors, key managers, interests, benefits and related party transactions																											
Who are the Company's Directors and key management personnel?	As at the Prospectus Date, the Board comprises of: (a) Honourable Cheryl Edwardes AM – Independent Non-Executive Director and Chairperson; (b) Angus Caithness – Executive Director; (c) Shaun Duffy – Non-Executive Director; and (d) Dr Leon Warne – Alternate Director to Shaun Duffy.	Section 7.1																									
What interests do the Directors and key management personnel have in the Shares of the Company at the Prospectus Date and on completion of the Offers?	<p>As at the Prospectus Date, LGP owns 100% of the issued capital of the Company.</p> <p>Based on the intentions of the Directors and key management personnel as at the Prospectus Date in relation to the Offers, the Directors and key management personnel and their related entities will have the following interests in Securities:</p> <table border="1" data-bbox="424 1335 1129 1957"> <thead> <tr> <th></th> <th>Shaun Duffy</th> <th>Angus Caithness</th> <th>The Hon. Cheryl Edwardes AM</th> <th>Dr Leon Warne</th> </tr> </thead> <tbody> <tr> <td>In-specie Distribution</td> <td>3,557</td> <td>381,648</td> <td>Nil</td> <td>3,598</td> </tr> <tr> <td>Director Intention</td> <td>250,000</td> <td>250,000</td> <td>75,000</td> <td>Nil</td> </tr> <tr> <td>TOTAL</td> <td>253,557</td> <td>631,648</td> <td>75,000</td> <td>3,598</td> </tr> <tr> <td>Voting power in Reset</td> <td>1.27%</td> <td>3.16%</td> <td>0.37%</td> <td>0.02%</td> </tr> </tbody> </table>		Shaun Duffy	Angus Caithness	The Hon. Cheryl Edwardes AM	Dr Leon Warne	In-specie Distribution	3,557	381,648	Nil	3,598	Director Intention	250,000	250,000	75,000	Nil	TOTAL	253,557	631,648	75,000	3,598	Voting power in Reset	1.27%	3.16%	0.37%	0.02%	Sections 7.4 and 7.6
	Shaun Duffy	Angus Caithness	The Hon. Cheryl Edwardes AM	Dr Leon Warne																							
In-specie Distribution	3,557	381,648	Nil	3,598																							
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Voting power in Reset	1.27%	3.16%	0.37%	0.02%																							

Topic	Summary	More information										
<p>What are the remuneration arrangements and benefits of the Directors and key management personnel?</p>	<p>The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$500,000 per annum. The remuneration of the Executive Directors will be determined by the Board.</p> <p>The Company has entered into an executive services agreement with Angus Caithness as well as letters of appointment with Honourable Cheryl Edwardes AM and Shaun Duffy as set out in Section 8.8.</p> <p>Since incorporation, the Directors and key management personnel have received the following remuneration (exclusive of superannuation / GST):</p> <table border="1" data-bbox="424 853 1185 1227"> <thead> <tr> <th data-bbox="424 853 850 920">Directors</th> <th data-bbox="850 853 1185 920">\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="424 920 850 1021">Honourable Cheryl Edwardes AM</td> <td data-bbox="850 920 1185 1021">\$6,477</td> </tr> <tr> <td data-bbox="424 1021 850 1093">Shaun Duffy</td> <td data-bbox="850 1021 1185 1093">\$55,593</td> </tr> <tr> <td data-bbox="424 1093 850 1160">Angus Caithness</td> <td data-bbox="850 1093 1185 1160">Nil</td> </tr> <tr> <td data-bbox="424 1160 850 1227">Dr Leon Warne</td> <td data-bbox="850 1160 1185 1227">Nil</td> </tr> </tbody> </table>	Directors	\$	Honourable Cheryl Edwardes AM	\$6,477	Shaun Duffy	\$55,593	Angus Caithness	Nil	Dr Leon Warne	Nil	<p>Section 7.8</p>
Directors	\$											
Honourable Cheryl Edwardes AM	\$6,477											
Shaun Duffy	\$55,593											
Angus Caithness	Nil											
Dr Leon Warne	Nil											
<p>What important contracts and/or arrangements with related parties is the Company a party to?</p>	<p>The Company has entered into the following related party transactions on arms' length terms:</p> <ul style="list-style-type: none"> (a) the Demerger Implementation Deed (see Section 8.1); (b) the Exclusive Supply and Services Agreement (see Section 8.2); (c) the Professional Services Agreement (see Section 8.3); (d) the Loan Agreement (see Section 8.4); (e) the Partial Underwriting Agreement (see Section 8.7); (f) executive services agreement with Mr Angus Caithness (see Section 8.8); (g) letters of appointment with each of its Non-Executive Directors on standard terms (see Section 8.8); (h) offer letters for the issue of 500,000 Options to Mr Shaun Duffy and 100,000 Options to Ms Fleeta Solomon; and (i) deeds of indemnity, insurance and access with each of its Directors on standard terms (see Section 8.9). 	<p>Section 8</p>										

Topic	Summary	More information						
Who will be the substantial holders of the Company?	<p>Based on the information known as at the Prospectus Date, on completion of the Demerger, In-specie Distribution and Offers, the following person will have an interest in 5% or more of the Shares on issue:</p> <table border="1" data-bbox="422 465 1187 640"> <thead> <tr> <th data-bbox="422 465 699 571">Reset substantial Shareholder</th> <th data-bbox="699 465 932 571">Number of Reset Shares</th> <th data-bbox="932 465 1187 571">Voting power</th> </tr> </thead> <tbody> <tr> <td data-bbox="422 571 699 640">Tiga Trading Pty Ltd</td> <td data-bbox="699 571 932 640">1,110,413</td> <td data-bbox="932 571 1187 640">5.6%</td> </tr> </tbody> </table>	Reset substantial Shareholder	Number of Reset Shares	Voting power	Tiga Trading Pty Ltd	1,110,413	5.6%	Section 9.3
Reset substantial Shareholder	Number of Reset Shares	Voting power						
Tiga Trading Pty Ltd	1,110,413	5.6%						
Financial information								
What is the Company's financial position?	<p>The Independent Limited Assurance Report contained in Annexure A sets out:</p> <ul style="list-style-type: none"> (a) the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the period from incorporation to 31 December 2021 and year ended 31 December 2022; (b) the reviewed historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the half-year ended 30 June 2023 (and comparatives for the half-year ended 30 June 2022); and (c) the reviewed historical Statement of Financial Position as at 30 June 2023. <p>Investors are encouraged to read in full the Independent Limited Assurance Report in Annexure A as well as the risk factors in Section 4.</p>	Section 5 and Annexure A						
Are there any forecasts of future earnings?	<p>There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.</p>	Section 5.1						
Will the Company have sufficient funds for its stated objectives?	<p>The Board believes that the funds raised from the Offers, assuming the Minimum Subscription is raised, will provide the Company with sufficient working capital to carry out its stated objectives.</p>	Section 1.8						

Topic	Summary	More information
	The use of further equity funding may be considered by the Company where it is appropriate to accelerate a specific project or strategy.	
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on developing the existing business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. The Company cannot give any assurances in relation to the payment of dividends or franking credits.	Section 2.10
Summary of the Offers		
What are the Offers?	<p>The Offers comprise:</p> <ul style="list-style-type: none"> (a) a priority offer to Eligible LGP Shareholders of up to 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$1,000,000 (before costs); (b) an offer of up to 2,500,000 Shares to raise up to \$500,000 (before costs) to select investors in Australia, the United Kingdom and Switzerland who have received an invitation from the Chairperson or the Company; and (c) an offer of up to 2,500,000 Shares to raise up to \$500,000 (before costs) to the general public in Australia and select investors in the United Kingdom and Switzerland, with the ability to accept oversubscriptions of up to \$1,000,000 (before costs). 	Section 1.1
What is the Offer Price?	\$0.20 per Share.	Section 1.1
Is there a Minimum Subscription?	The minimum subscription under the Offers is \$2,000,000 (before costs) (being the issue of a minimum of 10,000,000 Shares under the Offers).	Section 1.7

Topic	Summary	More information
What are the conditions of the Offers?	<p>Completion of the Offers is subject to the following conditions:</p> <ul style="list-style-type: none"> (a) LGP's board of directors having resolved in writing to proceed with the Demerger and Offers, on or before 5:00pm (AWST) on 31 March 2024 (or such other date agreed to between LGP and Reset) (Cut-Off Date); (b) implementation of the Demerger in accordance with the Demerger Implementation Deed (see Section 8.1); (c) LGP having obtained LGP Shareholders' approval on or before 5:00pm (AWST) on the Cut-Off Date for the purpose of section 256B and 256C of the Corporations Act for the proposed In-specie Distribution; and (d) the Company raising the Minimum Subscription. <p>If any of these conditions are not satisfied, the Company will not proceed with the Offers and the Company will repay all Application Monies received under the Offers to the Applicants (without interest) in accordance with the Corporations Act.</p>	Section 1.6
Why are the Offers being conducted and what are the proposed use of funds?	<p>The purpose of the Offers and proposed use of funds raised by the Offers is to:</p> <ul style="list-style-type: none"> (a) position the Company to achieve its strategy as set out in Section 3.5; (b) fund clinical trials; (c) fund clinic setup and ongoing operational costs; (d) fund psilocybin cultivation and production research and development; and (e) provide working capital. <p>The Company's source of funds and intended use of the funds, is set out in Section 1.8. Prospective investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), and actual expenditure levels, may differ significantly from the above estimates.</p>	Section 1.8

Topic	Summary	More information																		
<p>What is the effect of the Offers on the capital structure of the Company?</p>	<p>The Company's capital structure upon completion of the Offers will be as follows:</p> <table border="1" data-bbox="424 394 1185 1137"> <thead> <tr> <th data-bbox="424 394 1018 465">Key details of the Offers</th> <th data-bbox="1018 394 1185 465">Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="424 465 1018 544">Shares on issue at Prospectus Date</td> <td data-bbox="1018 465 1185 544">100</td> </tr> <tr> <td data-bbox="424 544 1018 645">Shares to be distributed under the In-specie Distribution</td> <td data-bbox="1018 544 1185 645">10,000,000</td> </tr> <tr> <td data-bbox="424 645 1018 712">Shares to be issued under the Priority Offer</td> <td data-bbox="1018 645 1185 712">5,000,000</td> </tr> <tr> <td data-bbox="424 712 1018 779">Shares to be issued under the Chair's List Offer</td> <td data-bbox="1018 712 1185 779">2,500,000</td> </tr> <tr> <td data-bbox="424 779 1018 846">Shares to be issued under the Public Offer</td> <td data-bbox="1018 779 1185 846">2,500,000</td> </tr> <tr> <td data-bbox="424 846 1018 947">Total Shares on issue upon completion of the Offers</td> <td data-bbox="1018 846 1185 947">20,000,100</td> </tr> <tr> <td data-bbox="424 947 1018 1025">Options</td> <td data-bbox="1018 947 1185 1025">800,000</td> </tr> <tr> <td data-bbox="424 1025 1018 1137">Indicative market capitalisation upon completion of the Offers</td> <td data-bbox="1018 1025 1185 1137">\$4,000,020</td> </tr> </tbody> </table>	Key details of the Offers	Number	Shares on issue at Prospectus Date	100	Shares to be distributed under the In-specie Distribution	10,000,000	Shares to be issued under the Priority Offer	5,000,000	Shares to be issued under the Chair's List Offer	2,500,000	Shares to be issued under the Public Offer	2,500,000	Total Shares on issue upon completion of the Offers	20,000,100	Options	800,000	Indicative market capitalisation upon completion of the Offers	\$4,000,020	Section 1.9
Key details of the Offers	Number																			
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Options	800,000																			
Indicative market capitalisation upon completion of the Offers	\$4,000,020																			
<p>How do I apply for Shares under the relevant Offers?</p>	<p>Applications for Shares under the Offers must be made by using the relevant Application Form as follows:</p> <p>(a) submit an online Application Form and pay with BPAY®; or</p> <p>(b) submit an Application Form and pay via Electronic Funds Transfer.</p>	Section 1.11																		
<p>When will I know if my Application was successful?</p>	<p>Share certificates for Shares issued under the Offers are anticipated to be despatched on 22 December 2023.</p>	Indicative Timetable																		
<p>What are the terms of the Shares offered under the Offers?</p>	<p>The Shares to be issued by the Company pursuant to the Offers, are of the same class and will rank equally with the existing Shares on issue.</p>	Sections 1.1 and 9.1																		
<p>Is there a cooling off period?</p>	<p>No.</p>	-																		
<p>Can the Offers be withdrawn?</p>	<p>The Company may withdraw the Offers at any time before the issue of Shares to successful Applicants under the Offers.</p> <p>If the Offers, or any part of them, does not proceed, all relevant Application Monies will be refunded (without interest).</p>	Section 1.13																		

Topic	Summary	More information
Are the Offers underwritten?	<p>The Company is party to the Partial Underwriting Agreement with LGP, pursuant to which LGP has agreed to partially underwrite, subject to the allocation policy detailed in Section 1.5:</p> <p>(a) the Offers; and</p> <p>(b) any new Shares not capable of being distributed pursuant to the In-specie Distribution (which is expected to be approximately \$7,500),</p> <p>up to a maximum of \$1,000,000 (Underwritten Amount).</p> <p>Refer to Section 8.7 for a summary of the material terms and conditions of the Underwriting Agreement.</p>	Sections 1.3 and 8.7
Will the Shares be quoted?	<p>No.</p> <p>Reset is an unlisted public company and does not intend to seek a listing on a recognised securities exchange. Following the Offers there will be no public or active market for the trading of Shares in Reset. Reset does not currently have a sale mechanism in place for its Shares. There is a risk that there will be no or limited opportunities for the sale of Shares. Shareholders should also refer to Section 5.1(d) for further information.</p>	-
Is there any brokerage, commission or stamp duty payable by Applicants?	<p>No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.</p>	Section 1.11
How can I find out more about the Prospectus or the Offers?	<p>This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.</p> <p>Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary by email at cosec@resetmind.com.au.</p>	Section 1.20

1. Details of the Offers

1.1 The Offers

Pursuant to the Offers the Company is seeking to raise up to \$2,000,000 (before costs) by the issue of up to 10,000,000 Shares at \$0.20 per Share.

The Company reserves the right to accept oversubscriptions under the Public Offer of up to an additional \$1,000,000 for a total potential raising amount of \$3,000,000 (before costs) (**Oversubscriptions**).

The Offers are partially underwritten by LGP. Refer to Section 8.7 for a summary of the material terms and conditions of the Patrial Underwriting Agreement.

(a) Structure of the Offers

The Offers comprise:

- (i) a priority offer to Eligible LGP Shareholders of up to 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$1,000,000 (before costs) (**Priority Offer**);
- (ii) an offer of up to 2,500,000 Shares to raise up to \$500,000 (before costs) to select investors in Australia, the United Kingdom and Switzerland who have received an invitation from the Chairperson or the Company (**Chair's List Offer**); and
- (iii) an offer of up to 2,500,000 Shares to raise up to \$500,000 (before costs) to the general public in Australia and select investors in the United Kingdom and Switzerland, with the ability to accept oversubscriptions of up to \$1,000,000 (before costs) (**Public Offer**).

The Shares to be issued by the Company pursuant to the Offers, are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 9.1.

Applications for Shares under the Offers must be made on the relevant Application Form accompanying this Prospectus. Persons wishing to apply for Shares under the Offers should see Section 1.11 for further details and instructions.

(b) Priority Offer

The Priority Offer is open to Eligible LGP Shareholders registered as the holder of LGP Shares on the Priority Offer Record Date, whose registered address is in Australia, and subject to the restrictions set out in Sections 1.15 and 1.16, select investors in the United Kingdom and Switzerland.

The Board has elected to cap the number of Shares that may be issued under the Priority Offer at a maximum of 5,000,000 Shares. If applications under the Priority Offer exceed the number of Shares available for subscription under the Priority Offer, the Board reserves the right to scale back allocations in line with its allocation policy detailed in Section 1.5.

Whilst it is intended that as many Eligible LGP Shareholders as possible receive at least the minimum allocation of 10,000 Shares (\$2,000) under the Priority Offer, the Directors

will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward and there is therefore no guarantee that all Eligible LGP Shareholders will have their Applications accepted in full or at all. Eligible LGP Shareholders are encouraged to submit an Application Form as soon as possible.

(c) **Chair’s List Offer**

The Chair’s List Offer is open to select investors in Australia, the United Kingdom and Switzerland who have received an invitation from the Chairperson or the Company.

If you have been invited by the Company to participate in the Chair’s List Offer, you will be treated as an applicant pursuant to the Chair’s List Offer in respect of those Shares allocated to you.

If you have received an invitation to participate in the Chair’s List Offer from the Chair or the Company, you will be separately advised of the application procedures in respect of the Chair’s List Offer.

(d) **Public Offer**

The Public Offer is open to the general public in Australia and, subject to the restrictions set out in Sections 1.15 and 1.16, select investors in the United Kingdom and Switzerland.

To the extent there is any shortfall of Shares from the Priority Offer and the Chair’s List Offer (**Shortfall Shares**), the Shortfall Shares will be offered by the Directors in their absolute discretion under the Public Offer and otherwise subject to the allocation policy in Section 1.5. Shortfall Shares will only be issued if the Priority Offer and/or the Chair’s List Offer are undersubscribed.

Persons wishing to apply for Shares under the Public Offer should see Section 1.11 for further details and instructions.

1.2 **Director Intention**

The Directors have indicated their intention to the Company to subscribe for up to 575,000 Shares under the Chair’s List Offer as set out in the table below, with an aggregate value of up to approximately \$115,000 (**Director Intention**):

Director	Shares	\$
Shaun Duffy	250,000	\$50,000
Angus Caithness	250,000	\$50,000
Hon. Cheryl Edwardes AM	75,000	\$15,000
Dr Leon Warne	Nil	Nil
Total Director Intention	575,000	115,000

The Directors reserve the right to subscribe for additional Shares under the Offers, subject to the allocation policy detailed in Section 1.5.

1.3 **Partial Underwriting**

The Company is party to the Partial Underwriting Agreement with LGP, pursuant to which LGP has agreed to partially underwrite, subject to the allocation policy detailed in Section 1.5:

- (a) the Offers; and
- (b) any new Shares not capable of being distributed pursuant to the In-specie Distribution (which is expected to be approximately \$7,500),

up to a maximum of \$1,000,000 (**Underwritten Amount**).

Refer to Section 8.7 for a summary of the material terms and conditions of the Underwriting Agreement.

1.4 **Control issues**

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

The Underwriter has committed to partially underwrite the Offers and any new Shares not capable of being distributed pursuant to the In-specie Distribution (which is expected to be approximately \$7,500) up to the Underwritten Amount.

As at the Prospectus Date, the Underwriter is the parent company of Reset and, as such, has a relevant interest in 100% of the voting Shares in the Company. It is intended that the Reset Shares held by LGP will be distributed in-specie to eligible LGP shareholders on a pro rata basis pursuant to the In-specie Distribution.

The Underwriter's maximum potential relevant interest and voting power in the Company under several scenarios are set out in the table below based on the assumptions that:

- (a) the Minimum Subscription is raised under the Offers;
- (b) no Shares other than those offered under the Offers are issued;
- (c) the Underwriter does not acquire or dispose of any Shares other than as described below;
- (d) the Underwriter satisfies its underwriting obligations by subscribing for Shares itself, rather than through sub-underwriting commitments with third parties; and
- (e) the Underwriter subscribes for the Shares of ineligible foreign shareholders under the In-specie Distribution.

Participation in the Offers	Total Shares held by Underwriter	Total Shares on issue on completion of Offers	Underwriter voting power (%)
100%	37,500	20,000,100	0.2%
75%	2,537,500	20,000,100	12.69%
50%	5,000,000	20,000,100	25%

Further to the above, the Company has entered into the Loan Agreement with LGP pursuant to which Reset has agreed to repay costs borne by LGP to date in the establishment and operations of Reset, as well as the costs of the Offers (see Section 8.4 for further information). The Company has accrued a loan amount to LGP which is estimated to be up to \$2,250,000 at the completion of the Offers. If the loan (or a portion thereof) is not repaid by the Maturity Date, then the funds owing to LGP under the Loan Agreement convert into fully paid ordinary Shares in the Company.

By way of illustration only, if the Company fails to repay the loan (or a portion thereof) by the Maturity Date, the Underwriter's maximum potential relevant interest and voting power in the Company under several scenarios are set out in the tables below based on the assumptions that:

- (a) the Minimum Subscription is raised under the Offers;
- (b) the Underwriter subscribes for the Shares of ineligible foreign shareholders under the In-specie Distribution;
- (c) implementation of the Demerger occurs;
- (d) no Shares other than those offered under the Offers are issued between completion of the Offers and the Maturity Date;
- (e) the Underwriter satisfies its underwriting obligations by subscribing for Shares itself, rather than through sub-underwriting commitments with third parties;
- (f) the Underwriter does not acquire or dispose of any Shares between completion of the Offers and the Maturity Date;
- (g) the accrued loan at completion of the Offers is \$2,250,000;
- (h) the conversion price for the loan is \$0.20;
- (i) where applicable, Shareholder approval is obtained for the purposes of section 611 Item 7 of the Corporations Act; and
- (j) investor participation in the Offers is as follows:

(i) 100% investor participation in the Offers:

Loan outstanding at Maturity Date	Existing Underwriter Shares	Loan Conversion Shares	Total Underwriter Shares	Underwriter voting power (%)
100%	37,500	11,250,000	11,287,500	36.1%
75%	37,500	8,437,500	8,475,000	29.8%
50%	37,500	5,625,000	5,662,500	22.1%
25%	37,500	2,812,500	2,850,000	12.5%
0%	37,500	-	37,500	0.2%

(ii) 75% investor participation in the Offers:

Loan outstanding at Maturity Date	Existing Underwriter Shares	Loan Conversion Shares	Total Underwriter Shares	Underwriter voting power (%)
100%	2,537,500	11,250,000	13,787,500	44.1%
75%	2,537,500	8,437,500	10,975,000	38.6%
50%	2,537,500	5,625,000	8,162,500	31.9%
25%	2,537,500	2,812,500	5,350,000	23.5%
0%	2,537,500	-	2,537,500	12.7%

(iii) 50% investor participation in the Offers:

Loan outstanding at Maturity Date	Existing Underwriter Shares	Loan Conversion Shares	Total Underwriter Shares	Underwriter voting power (%)
100%	5,000,000	11,250,000	16,250,000	52.0%
75%	5,000,000	8,437,500	13,437,500	47.3%
50%	5,000,000	5,625,000	10,625,000	41.5%
25%	5,000,000	2,812,500	7,812,500	34.2%
0%	5,000,000	-	5,000,000	25.0%

Important Note: The number of Shares on issue in Reset may increase prior to the Maturity Date which will reduce the Underwriter's voting power in the Company. For the purposes of illustrating the Underwriter's maximum potential relevant interest in Reset Shares on conversion

of the loan, the Company has assumed the conversion price is \$0.20. However, the Loan Agreement provides that the conversion price will be the lesser of: (i) the Offer Price under this Prospectus (being \$0.20); and (ii) the offer price of the Company's most recent capital raising where the Company raises gross proceeds of at least \$1,000,000. To that end, the Company cautions investors that the number of Shares that the Underwriter may be issued on conversion of the loan, having regard to the assumptions detailed above, may increase if the Company undertakes a capital raising of at least \$1,000,000 between completion of the Offers and the Maturity Date and the issue price under that capital raising is less than \$0.20.

The Company also cautions investors that the above tables do not take into account interest of 10% per annum that accrues daily on the principal outstanding, and which automatically capitalises in arrears and is added to, and deemed to be part of, the principal outstanding on each anniversary of the draw down date, being Preliminary Completion. Accordingly, the number of Shares that the Underwriter may be issued on conversion of the loan, having regard to the assumptions detailed above, may increase as a result of any accrued (but unpaid) interest.

Further to the above, it is not known at the Prospectus Date the exact loan amount that will be owing to LGP pursuant to the Loan Agreement as it crystallises at Preliminary Completion. To that end, the Company cautions investors that whilst the Directors anticipate the loan will be up to approximately \$2,250,000 at completion of the Offers, there is a possibility the loan amount owing to LGP may be less meaning the number of Shares that the Underwriter may be issued on conversion of the loan, having regard to the assumptions detailed above, may decrease.

1.5 **Allocation policy**

(a) **General**

The Directors reserve the right to determine the allocation of Shares under the Priority Offer, Chair's List Offer and Public Offer, including to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded, without interest, to the Applicant as soon as practicable after the relevant Closing Date.

(b) **Priority Offer**

The Board has elected to cap the number of Shares that may be issued under the Priority Offer at a maximum of 5,000,000 Shares.

Whilst it is intended that as many Eligible LGP Shareholders as possible receive at least the minimum allocation of 10,000 Shares (\$2,000) under the Priority Offer, the Directors will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward and there is therefore no guarantee that all Eligible LGP Shareholders will have their Applications accepted in full or at all. Eligible LGP Shareholders are encouraged to submit an Application Form as soon as possible.

Should the Company receive Applications from Eligible LGP Shareholders for Shares in excess of the number of Shares available for subscription under the Priority Offer, the Directors reserve the right to determine the allocations.

No Shares will be issued to an Eligible LGP Shareholder which would, if issued, result in them increasing their voting power in the Company above 20%. There is no guarantee that Applications for Shares under the Priority Offer will be satisfied in full. Excess Application Monies under the Priority Offer will be refunded (without interest).

It is a term of the Priority Offer that, should the Company scale back Applications for Shares in accordance with the allocation policy described above, an Eligible LGP Shareholder will be bound to accept such lesser number of Shares allocated to them.

To the extent there is any shortfall of Shares from the Priority Offer, the shortfall will be offered by the Directors in their absolute discretion under the Public Offer and otherwise subject to the allocation policy described below in Section 1.5(d).

(c) **Chair's List Offer**

The basis of allocation under the Chair's List Offer will be determined by the Directors in their absolute discretion and will include the offer of the Shares to the Directors in accordance with their intentions set out in Section 1.2.

The Company has agreed to issue up to 2,500,000 Shares under the Chair's List Offer, which will include all Shares to be issued in respect of the Director Intentions.

(d) **Public Offer**

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus Application Money will be refunded without interest as soon as practicable.

No Applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors will be influenced by the following factors:

- (i) whether the Applicant is an Eligible LGP Shareholder that was unsuccessful in subscribing for Shares under the Priority Offer;
- (ii) the number of Shares applied for;
- (iii) the overall level of demand under the Public Offer;
- (iv) the timeliness of the bid by particular Applicants;
- (v) the desire for a spread of investors;
- (vi) the likelihood that particular Applicants will be long-term Shareholders; and
- (vii) any other factors the Company considers appropriate.

In any event no Shares will be issued to an Applicant under the Public Offer which would, if issued:

- (i) result in them increasing their voting power in the Company above 20%; and

- (ii) contravene any law.

The Shares under the Public Offer will be allocated in the following priority (and in each case subject to the general allocation policy for the Public Offer described above):

- (i) **Step 1 (General):** The Company will prioritise Applications received from the general public in Australia and eligible investors in the United Kingdom and Switzerland, as well as Eligible LGP Shareholders.
- (ii) **Step 2 (Director participation):** If, following the allocation of Shares in accordance with Step 1, there remains Shares for subscription under the Public Offer, the Shares will be allocated to the Directors who have applied for additional Shares under the Public Offer in addition to their Director Intentions.
- (iii) **Step 3 (Underwriter):** If, following the allocation of Shares in accordance with Step 2, there remains Shares for subscription under the Public Offer, the allocation of all remaining Shares will be to the Underwriter (or its nominees) up to the Underwritten Amount.

1.6 Conditions of the Offers

Completion of the Offers is subject to the following conditions:

- (a) LGP's board of directors having resolved in writing to proceed with the Demerger and Offers, on or before 5:00pm (AWST) on 31 March 2024 (or such other date agreed to between LGP and Reset) (**Cut-Off Date**);
- (b) implementation of the Demerger in accordance with the Demerger Implementation Deed (see Section 8.1);
- (c) LGP having obtained LGP Shareholders' approval on or before 5:00pm (AWST) on the Cut-Off Date for the purpose of section 256B and 256C of the Corporations Act for the proposed In-specie Distribution; and
- (d) the Company raising the Minimum Subscription.

If any of these conditions are not satisfied, the Company will not proceed with the Offers and the Company will repay all Application Monies received under the Offers to the Applicants (without interest) in accordance with the Corporations Act.

1.7 Minimum subscription

The minimum subscription under the Offers is \$2,000,000 (before costs) (being the issue of a minimum of 10,000,000 Shares under the Offers) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. If the Minimum Subscription is not raised within four months of the Prospectus Date (or such period as varied by ASIC), the Company will not proceed with the Offers and will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.8 Purpose of the Offers and use of funds

The purpose of the Offers and proposed use of funds raised by the Offers is to:

- (a) position the Company to achieve its strategy as set out in Section 2.5;
- (b) fund clinical trials;
- (c) fund clinic setup and ongoing operational costs;
- (d) fund psilocybin cultivation and production research and development; and
- (e) provide working capital.

Following completion of the Offers (assuming the Minimum Subscription is raised), the following funds will be available to the Company:

Source of funds	\$
Existing cash as at the Prospectus Date	\$267,140
Proceeds from the Offers (before costs) ⁽²⁾	\$2,000,000
Total funds available⁽¹⁾	\$2,267,140

Notes:

1. In accordance with the terms of the Loan Agreement (see Section 8.4), LGP will be entitled to undertake a cash sweep at Preliminary Completion (excluding, for the avoidance of any doubt, the proceeds from the Offers assuming the Minimum Subscription is raised).
2. The Company reserves the right to accept oversubscriptions under the Public Offer of up to \$1,000,000. 25% of any amount raised in excess of \$2,000,000 from the Offers will be repaid to LGP in accordance with the terms of the Loan Agreement.

The following table shows the intended use of funds for the 18 month period following completion of the Offers:

Use of funds	\$	%
Clinical trials	500,000	23.37%
Clinic setup and ongoing operational costs	500,000	23.37%
Psilocybin cultivation and production research and development	300,000	14.02%
Working capital ⁽¹⁾	700,000	32.71%
Costs of the Offers ⁽²⁾	139,807	6.53%
TOTAL FUNDS ALLOCATED	2,139,807	100%

Notes:

1. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Directors will allocate surplus funds at their discretion.
2. The estimated expenses of the Offers are summarised in Section 9.6. To date, the Company's operations have been funded by LGP pursuant to a loan arrangement. The costs of the Offers will be borne by LGP and comprises part of the inter-company loan from LGP (see Section 8.4 for further information).

The above table is a statement of current intentions as at the Prospectus Date. Prospective investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), and actual expenditure levels, may differ significantly from the above estimates.

The Board believes that the funds raised from the Offers, assuming the Minimum Subscription is raised, will provide the Company with sufficient working capital to carry out its stated objectives.

The use of further equity funding may be considered by the Company where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Offers will provide the Company with sufficient funding for approximately the 18 month period following completion of the Offers. The future capital requirements of the Company will depend on many factors including the timing and success of the Company's activities and whether any of the risks in Section 4 materialise. The Company believes its available cash and the net proceeds of the Offers should be adequate to fund its business objectives in the short term as stated in this Prospectus, however, the Company will require further financing in the future. See Section 4.1(b) for further details about the risks associated with the Company's future capital requirements. In the event that Oversubscriptions are received:

- (a) firstly, 25% of any amount raised in excess of \$2,000,000 from the Offers will be repaid to LGP in accordance with the terms of the Loan Agreement set out in Section 8.4; and
- (b) if, following the allocation of funds above there remains additional funds, those additional funds will be allocated to clinical trials and working capital in equal proportions.

1.9 Capital structure on completion of the Offers

Key details of the Offers	Number
Shares on issue at Prospectus Date	100
Shares to be distributed under the In-specie Distribution ⁽¹⁾	10,000,000
Shares to be issued under the Priority Offer	5,000,000
Shares to be issued under the Chair's List Offer	2,500,000
Shares to be issued under the Public Offer ⁽²⁾	2,500,000

Total Shares on issue upon completion of the Offers⁽³⁾	20,000,100
Options⁽⁴⁾	800,000
Indicative market capitalisation upon completion of the Offers⁽⁵⁾	\$4,000,020

Notes:

1. *This number is based on the share capital of LGP as at the Prospectus Date and a pro rata in-specie distribution based on 1 Reset Share for approximately every 30 LGP Shares held on the In-specie Record Date. The number of LGP Shares on issue may increase prior to the In-specie Record Date which will reduce the ratio of Reset Shares to be issued per LGP Share under the In-specie Distribution.*
2. *The Company reserves the right to accept oversubscriptions under the Public Offer of up to \$1,000,000. Any Shares not taken up pursuant to the Priority Offer and the Chair's List Offer will form the Shortfall and be offered under the Public Offer, on and in accordance with the terms set out in this Prospectus.*
3. *The total number of Shares to be on issue following completion of the Demerger, In-specie Distribution and Offers, assumes no further Shares are issued.*
4. *500,000 Options to be issued to Shaun Duffy in connection with his previous position as Chief Executive Officer of the Company. Mr Duffy transitioned to a Non-Executive Director on 7 November 2023. A further 300,000 Options will be issued in tranches of 100,000 Options to executives of LGP (Paul Long – Chief Executive Officer, Fleta Solomon – Executive Director and Alistair Warren – General Counsel) as remuneration for their services to the Demerger. See Section 9.2 for the terms and conditions of the Options.*
5. *Based on the Offer Price multiplied by the number of Shares on issue on completion of the Offers.*

1.10 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

1.11 Applications

(a) General

Applications for Shares under the Offers can be made using the Application Form. The Application Form must be completed in accordance with the instructions set out in this Prospectus and the Application Form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

(i) **Option 1: Submit an online Application Form and pay with BPAY®**

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given

a BPAY® biller code and a customer reference number (**CRN**) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at <https://apply.automic.com.au/ResetMindSciences> and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the relevant Closing Dates.

(ii) **Option 2: Submit an Application Form and pay via Electronic Funds Transfer “EFT”**

Investors can apply online with payment made electronically via EFT. Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments must be received in Australian dollars (\$AUD). Using EFT payment details, Applicants must:

- (A) use the unique payment reference number that corresponds to the online Application Form;
- (B) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (C) select which account payment is to be made from;
- (D) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be

accepted; and

- (E) record and retain the EFT receipt number and date paid.

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant's account that may limit the amount of any EFT payment and the cut off time for the funds transfer.

An original, completed and lodged Application Form together with confirmation of BPAY® or EFT payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT for the Application Monies.

It is the responsibility of Applicants outside of Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus.

The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (A) agreed to be bound by the terms of the Offers;
- (B) agreed to be bound by the terms of the Constitution;
- (C) acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- (D) declares that all details and statements in the Application Form are complete and accurate;
- (E) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (F) acknowledged that, once the Company receives an Application Form, it may not be withdrawn;
- (G) applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- (H) agreed to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;

- (I) acknowledged that the Company may not pay dividends, or that any dividends paid may not be franked;
- (J) declared that the Applicant(s) is/are a resident of Australia or subject to the restrictions set out in Section 1.15 to 1.16, certain investors in the United Kingdom and Switzerland;
- (K) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (L) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs;
- (M) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws; and
- (N) acknowledged and agreed that the Offers may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

(b) Applicants under the Priority Offer

The Priority Offer is open to Eligible LGP Shareholders who have received a Priority Offer Application Form.

If you have received a Priority Offer Application Form to apply for Shares under the Priority Offer and you wish to apply for Shares, you should follow the instructions on your personalised Priority Offer Application Form and Section 1.11(a) above.

Applications by Eligible LGP Shareholders under the Priority Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

(c) Applicants under the Chair's List Offer

The Chair's List Offer is open to select investors in Australia, the United Kingdom and Switzerland who have received an invitation from the Chairperson or the Company.

If you have received a Chair's List Offer Application Form to apply for Shares under the Chair's List Offer and you wish to apply for Shares, you should follow the instructions on the Chair's List Offer Application Form and Section 1.11(a) above.

Applications under the Chair's List Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

(d) Applicants under the Public Offer

The Public Offer is open to the general public in Australia, and subject to the restrictions set out in Sections 1.15 and 1.16, select investors in the United Kingdom and Switzerland.

If you wish to apply for Shares under the Public Offer, you should follow the instructions on the Public Offer Application Form.

Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

1.12 Application Monies to be held in trust

To the extent required by the Corporations Act, until the Shares are issued under this Prospectus, the Application Monies for Shares will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. However, the Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

1.13 Discretion regarding the Offers

The Company may withdraw the Offers at any time before the issue of Shares to successful Applicants under the Offers. If the Offers, or any part of them, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company also reserves the right to, subject to the Corporations Act, extend the Offers or any part of them, accept late Applications either generally or in particular cases, reject any Application or allocate to any Applicant fewer Shares than the amount applied for.

1.14 Overseas Applicants

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit an offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are residents in countries other than Australia, should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

1.15 **Notice to investors in the United Kingdom**

Neither this Prospectus nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to (i) “qualified investors” (within the meaning of Article 2(e) of the UK Prospectus Regulation) under the Chair’s List Offer and Public Offer and (ii) fewer than 150 LGP shareholders under the Priority Offer. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

1.16 **Notice to investors in Switzerland**

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. This Prospectus is personal to the recipient and not for general circulation in Switzerland.

The Shares under the Chair’s List Offer and Public Offer will be offered only to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act).

The Shares under the Priority Offer will be offered only to shareholders of LGP.

1.17 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. To the maximum extent permitted by law, neither the Company nor any of its Directors, officers nor any of their respective advisers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

1.18 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.19 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy Prospectus and Application Form should be directed to the Company Secretary by email at cosec@resetmind.com.au.

1.20 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary by email at cosec@resetmind.com.au.

2. Company overview

2.1 Introduction

Reset was established as a wholly owned subsidiary of LGP, a global vertically integrated medicinal cannabis company, to capitalise on LGP's knowledge, track record, infrastructure and regulatory approvals to pursue a business in the field of psychedelic medicines.

Reset has been at the forefront of the development of the psychedelics industry in Australia over the last two years with a dual track focus on working towards the production of pharmaceutical grade mushroom-derived psilocybin and a clinical trial to test, refine and develop best practice psychotherapy protocols to accompany administration of psilocybin.

Reset is now uniquely positioned to capitalise on the significant body of work it has assembled following a decision from the Therapeutic Goods Administration (**TGA**) in early 2023 to reclassify psilocybin and MDMA allowing their prescription by authorised psychiatrists under strictly defined parameters from 1 July 2023.

There is an increasing body of research globally into the use of psychedelic medicines, most notably psilocybin and MDMA, to treat mental health conditions with highly encouraging results being reported. Momentum has been building globally off the back of this research with increasing corporate interest and discussion regarding the classification of psychedelic drugs by regulators. North America and Europe have historically led this momentum, however the decision by the TGA has thrust Australia to the forefront of the psychedelics industry globally. Psychedelic industry momentum is now building at a rapid rate in Australia and Reset is a first mover in this field in Australia.

Mental illness is a serious issue in Australia. It was reported in 2018 that 1 in every 5 Australians (~4.8 million people) had a mental or behavioural condition in the previous 12 months.² This increased from ~4 million people in 2014 to 2015.³ Reset's vision is to help provide a meaningful new treatment option for this mental health epidemic through the use of psychedelic medicines.

The nature of the current treatments using psychedelic medicines requires that administration of the drug is accompanied by an extensive psychotherapy regime. The treatment regime is known as Psychedelic Assisted Psychotherapy (**PAP**). Protocols governing the therapy delivery associated with psilocybin are still maturing and being refined through the clinical trial process. Reset has assembled a highly credentialed clinical team to undertake a clinical trial to build on and refine best practice psychedelic therapy protocols as used in international trial work. Reset believes there is significant strategic advantage in developing therapy protocols that are tried and tested in a clinical trial environment. Reset's clinical trial has received Human Research Ethics Committee (**HREC**) as well as Research Governance approval and is nearing commencement of patient recruitment.

These psychotherapy treatment protocols will also form the basis of Reset's commencement of patient treatment outside of a clinical trial environment under the TGA's new authorised prescriber pathway.

² <https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release#data-downloads>. The author has not provided their consent for the statement to be included in this Prospectus.

³ <https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release#data-downloads>. The author has not provided their consent for the statement to be included in this Prospectus.

Reset has formed a strategic alliance with private health insurer Health Insurance Fund of Australia Pty Ltd (**HIF**) to develop a proof-of-concept mental health care facility offering PAP, undertake a health economics study to inform potential future health insurance coverage and agreed a period of exclusivity to negotiate joint development of future treatment centres.

On the psilocybin production front, Reset has been able and will continue to leverage LGP's licensed infrastructure, as well as its experience, and expertise in production of botanical based drug products. Reset has constructed a purpose-built mushroom cultivation facility, which is co-located at LGP's existing Schedule 9 licensed cannabis cultivation site in Western Australia. Cultivation of psilocybin mushrooms commenced in the first half of 2023. Reset has an agreement in place with LGP granting it exclusive access to continue to co-locate the mushroom cultivation facility at its site as well as exclusive access to LGP's Schedule 9 licenced production facility for psilocybin production if required. The Company and LGP are also parties to a Professional Services Agreement pursuant to which each of LGP and the Company have mutually agreed to provide (or procure the provision of) professional services and goods as requested by the other for a 3-year period post Demerger. See Section 8.3 for more details.

Reset has also secured a long term commercial lease agreement for a unique property that incorporates office, the Initial Clinic and a previously certified Good Manufacturing Practice (**GMP**) manufacturing facilities in the Perth suburb of Shenton Park (see Section 8.6 for further information). The property provides a compelling strategic opportunity for Reset to bring the bulk of its operations together on one site to complement its cultivation activities at LGP's site in regional Western Australia.

Reset therefore, has three primary areas of focus:

- (a) development of the therapy protocols to accompany administration of psilocybin, including conducting underlying research and clinical trials;
- (b) translation of its clinical trial work into real world treatment under the TGA's new authorised prescriber pathway as soon as possible after 1 July 2023; and
- (c) working towards production and distribution of the psychedelic drug psilocybin sourced from mushrooms.

2.2 **Background to the Company**

The Company was incorporated on 28 May 2021 in the state of Western Australia as a 100% subsidiary of LGP, as a research and development company focussed on psychedelic medicines.

The Company and LGP have entered into a demerger implementation deed pursuant to which, subject to the satisfaction or waiver of certain conditions:

- (a) LGP will transfer and the Company will acquire the Spin-Out Assets; and
- (b) the Company will be demerged from LGP as a standalone company.

2.3 **Company structure**

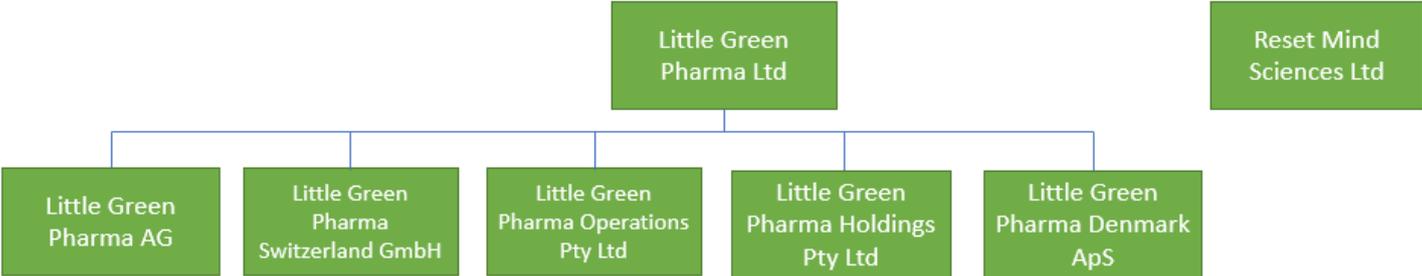
(a) **Capital structure of the Company**

As at the Prospectus Date, LGP owns 100% of the issued capital of the Company, as set out in the below:



(b) **Corporate Structure**

Upon completion of the Offers and Demerger, LGP and the Company's corporate structure will be as set out in the following diagram.



2.4 **Key highlights**

(a) **Large, growing market**

Psilocybin is used to treat mental health conditions such as depression, anxiety and PTSD as well as eating disorders and addiction. In July 2022, the Australian Bureau of Statistics released statistics estimating that two in five Australians aged 16-85 had experienced a mental disorder at some time in their life and one in five had experienced symptoms of those disorders in the prior 12 months.⁴

Mental health conditions have continued to rise despite the widespread use of anti-depressant medication to treat many of these conditions. Given the continued rise in prevalence of mental health conditions despite the medication currently available, Reset believes there are significant commercial opportunities available for alternative

⁴ [https://www.abs.gov.au/media-centre/media-releases/two-five-australians-have-experienced-mental-disorder#:~:text=More%20than%20two%20in%20five,Bureau%20of%20Statistics%20\(ABS\)](https://www.abs.gov.au/media-centre/media-releases/two-five-australians-have-experienced-mental-disorder#:~:text=More%20than%20two%20in%20five,Bureau%20of%20Statistics%20(ABS)) dated 5 October 2023. The author has not provided their consent for the statement to be included in this Prospectus.

treatment options.

(b) **TGA reclassification of psilocybin and MDMA**

In February 2023, the TGA announced a change to the classification of psilocybin and MDMA to enable their prescribing by authorised psychiatrists for the treatment of certain mental health conditions from 1 July 2023. The announcement meant that Australia became the first country in the world to recognise psychedelics as medicines and paves the way for the use of psilocybin for the treatment of treatment resistant depression and MDMA for PTSD subject to strictly defined parameters. The TGA will only allow psychedelics to be prescribed by psychiatrists subject to full documentation of treatment protocols, approval from by a HREC and the psychiatrist receiving Authorised Prescriber (**AP**) designation from the TGA. When these parameters are met, psilocybin and MDMA will be reclassified from Schedule 9 (Prohibited Substances) to Schedule 8 (Controlled Substances). The announcement by the TGA has accelerated momentum in the psychedelics industry in Australia and brought Australia to the forefront of the industry globally.

(c) **First mover advantage**

The reclassification announcement by the TGA came significantly earlier than expected by the psychedelics industry and has allowed Reset to bring forward its commercialisation plans earlier than originally expected. Reset has spent more than two years focused on the development of key aspects of psychedelic treatment and has built a significant body of work that is directly relevant to the new rules set down by the TGA. Of particular relevance, Reset's clinical trial is investigating psilocybin for treatment resistant depression, the condition allowed by the TGA under the AP pathway, and its protocols received HREC approval in February 2023. These HREC approved protocols are being modified for use under the AP pathway and have become a valuable resource for the provision of treatment under the TGA's new rules. The background work done by the Company over the last two years has established it as a first mover in the Australian PAP industry and is well positioned to remain at the forefront of the industry as it evolves.

(d) **Track record**

Reset is able to capitalise on LGP's knowledge, track record, infrastructure and regulatory approvals in relation to its plans to produce GMP grade psilocybin from in-house cultivated psychedelic mushrooms. LGP is a pioneering Australian medicinal cannabis company producing locally-grown medicines for patient use in Australia and export markets. Reset has an agreement in place with LGP allowing it to continue to access the expertise and experience within LGP moving forward and has exclusive access to LGP's Schedule 9 licenced production facility for psilocybin production. Angus Caithness (Executive Director of LGP) has joined the Reset Board, bringing best practice experience and relationships, which will assist the Company as it navigates this new industry in Australia.

Reset has been able and will continue to leverage LGP's experience and expertise in botanical drug-based products.

(e) **Highly experienced Clinical Advisory Board**

The Company has appointed a highly credentialed Clinical Advisory Board with an emphasis on expertise in the delivery of PAP.

(f) **Ability to adapt to industry changes**

The Company believes it is imperative to maintain a flexible business model to adapt to regulatory and industry changes given the psychedelics industry is only in its infancy here in Australia. Reset has a lean management team and highly experienced Clinical Advisory Board which will allow it to adapt as necessary.

2.5 **Business model of the Company**

Since its inception, Reset has been focused on building the foundations that will ultimately allow it to have two primary areas of focus. In the long-term, Reset is focused on two primary components of PAP:

- (a) production and distribution of the psychedelic drug, psilocybin; and
- (b) development of mental health care facilities offering psychedelic assisted psychotherapy, either on a standalone basis and/or in partnership with established mental healthcare facilities.

Reset intends to leverage its expected capabilities in drug production and therapy best-practice to develop the most suitable long term sustainable business model from the delivery of PAP. At this early stage in the emergence of the psychedelics field in Australia, Reset believes it is appropriate to maintain flexibility in its business model to respond to the evolving market while also ensuring it is best placed to capitalise on the emergence of the industry in Australia.

(a) **Psilocybin cultivation, production and supply**

One of Reset's objectives is to produce and supply GMP compliant psilocybin from mushrooms grown in-house or sourced from reputable third-party suppliers.

Reset has been able to capitalise on the knowledge, track record, infrastructure and regulatory approvals of its parent company, LGP, to advance its cultivation and production plans. LGP has an extensive history producing and managing botanical-based drug products through its cannabis operations. Reset has an agreement in place with LGP granting it exclusive access to its Schedule 9 licenced West Australian cultivation and production facility for psilocybin production and intends to retain close operational links with LGP for its cultivation and, if required, its production activities during the formative stages of its operations. LGP has provided an undertaking that it will not compete with Reset in the field of Psychedelics from the date Reset ceases to be a wholly owned subsidiary of LGP until at least 3 years from the date of the Demerger. Refer Sections 8.2 and 8.3 for further information regarding the arrangements entered between the Company and LGP.

In September 2021, LGP was granted an amendment to its Schedule 9 licence by the WA Department of Health to include psilocybin. The granting of a Schedule 9 licence for psilocybin was a significant step in the development of the psychedelics business. Reset was subsequently granted an indent licence by the WA Department of Health which allows the Company to transact in psilocybin and operate under LGP's Schedule 9 licence. LGP now has all licences in place from the WA Department of Health to cultivate, produce and supply Schedule 9 psilocybin.

Reset has expanded LGP's existing West Australian cannabis cultivation and production facility to include a dedicated mushroom cultivation facility on-site. The stand-alone facility is owned by Reset (**Reset Facilities**). The Reset Facilities were

commissioned in the first half of 2023 and have been custom designed for psychedelic mushroom cultivation with appropriate controls over factors such as sterility, air quality control, temperature, humidity and light. The Reset Facilities produced their first cultivated psilocybin mushrooms in the second half of 2023.

Reset cultivation activities are led by a dedicated internal resource and external expert mycology advice supplemented by the cultivation expertise of LGP.

Reset has also secured the lease to a commercial GMP manufacturing facility for its psilocybin production activities. As Reset works towards its goal of producing Schedule 8 GMP grade psilocybin for patients, the property's GMP manufacturing facility provides sufficient capacity for all of Reset's expected requirements without the need for extensive fit out and therefore capital expenditure. The manufacturing facilities will require TGA GMP certification for Reset's intended use, however the fit out has been done to the highest standards and was certified by the TGA for the previous tenant's operations. The Company has also acquired the Facility Validation Documentation related to the previous operator's GMP manufacturing facilities.

Reset will also draw on LGP's experience with its own GMP compliant extraction and manufacturing facility, and believes it is reasonable to expect GMP certification would be achieved given LGP's track record in this field. Based on information available to the Company, Reset expects the TGA will publish a Therapeutic Goods Order (TGO) stipulating the specifications for psilocybin and MDMA to be used in the Australian market, however as at the Prospectus Date it is not known when or if this will occur. Currently, there has been no such TGO published and as a result, there is not yet definitive guidance for manufacturers to comply with for psilocybin production. The TGO is expected to provide requirements for psilocybin that has been both synthetically manufactured and derived from natural sources via extraction from mushrooms, however there can be no guarantee as to the content of the TGO, the required technical specifications and even whether mushroom derived psilocybin will be permitted. Based on international precedents, notably Canada, Reset anticipates there will be allowance for naturally derived psilocybin products and is confident it will have the technical capability to meet these requirements.

Reset has chosen to produce Psilocybin from mushrooms as distinct from synthetic manufacturing of the drug. The basis for Reset's decision is:

- (i) it has access to the extensive expertise and facilities within LGP associated with drug production from botanical based products and will continue to have access to this expertise under the Supply and Services Agreement and the Professional Services Agreement; and
- (ii) it believes that if Psilocybin is approved for broader patient treatment there will be demand for naturally derived products (as opposed to synthetically manufactured Psilocybin).

(b) **Mental healthcare facilities offering PAP**

Administration of psilocybin requires an extensive psychotherapy regime that is an expertise in its own right. The Company seeks to develop its own best practice and evidence-based protocols, which will be backed by clinical trial work. This clinical trial work can then be translated into the real world for patient treatment under the TGA's new AP pathway.

(c) **Reset's clinical trial**

Reset has received HREC as well as Research Governance approval and is nearing commencement of patient recruitment for its clinical trial investigating the safety and efficacy of PAP for patients with treatment resistant major depressive disorder. The trial will use synthetic psilocybin, supplied from an external Canadian GMP supplier, and builds on clinical therapy protocols used in successful international clinical trials. Reset plans to investigate novel aspects of the psychotherapy protocols as a primary outcome measure of the trial.

The trial is to be sponsored by Reset with the University of Western Australia (**UWA**) appointed to conduct the trial at the Harry Perkins Institute of Medical Research in Perth, Western Australia in conjunction with Fiona Stanley Hospital. The trial is part of a broader MOU executed with UWA to work collaboratively and generate unique outcomes in the field of psychedelic substances and psychotherapy, with the objective of developing novel psychedelic treatments.

The Principal Investigator for the trial is Professor Sean Hood. Professor Hood is the Head of Division (Psychiatry) at UWA and a consultant psychiatrist at the Western Australian Department of Health's Sir Charles Gairdner Hospital Mental Health Unit.

The clinical therapy team for the trial will be led by Dr Stephen Bright who is a member of the Company's clinical advisory board (please refer to Section 7.3(a) for Dr Bright's biography). Dr Bright has identified a team of suitably qualified therapists to undertake the patient psychotherapy work.

In addition, Reset has appointed a member of the clinical therapy team from the highly regarded psilocybin trials conducted by Imperial College, London, to act in a training, supervisory and advisory capacity in respect of patient therapy work. This work has been and will be conducted by Ms Renee Harvey who is a member of the Company's clinical advisory board (please refer to Section 7.3(b) for Ms Harvey's biography). Ms Harvey also led therapist assessment and training prior to commencement of the clinical trial.

Reset owns the information gathered from the clinical trials it sponsors.

(d) **Proof-of-concept clinic under TGA AP pathway**

Reset's clinical trial has taken on added significance and relevance given the TGA's change in classification of psilocybin within certain defined parameters for the treatment of treatment resistant depression from 1 July 2023. Given Reset is investigating the condition allowed by the TGA for the prescription of psilocybin, the clinical evidence obtained from the trial will be highly instructive in the treatment of patients under the new regime announced by the TGA.

In order for psychiatrists to prescribe psychedelics, they must have fully documented treatment protocols, HREC approval and receive AP designation from the TGA. Reset has put more than 18 months of detailed planning into the preparation of its clinical trial protocols which received HREC approval in February 2023. These protocols are now being modified and will be submitted for further HREC approval for use by psychiatrists under the AP pathway. Reset intends to utilise these modified protocols to work with a limited number of appropriately qualified psychiatrists to support them achieving AP designation from the TGA in order to be able to prescribe PAP for eligible patients.

Reset has formed a strategic alliance with private health insurer HIF to develop a proof-of-concept mental health care facility offering PAP, undertake a health economics study to inform potential future health insurance coverage and agreed a period of exclusivity to negotiate joint development of future treatment centres (see Section 8.4 for further information). This proof-of-concept clinic is to be located at Reset's leased commercial property in conjunction with existing in-patient hospital facilities and will provide a facility for the commencement of treatment under the AP pathway.

Reset will own and operate the proof-of-concept clinic which HIF contributed \$250,000 towards its initial set up. Reset and HIF will use best endeavours to agree the terms for a subsequent business venture under which they will own and operate one or more mental health care facilities offering psychedelic treatments to patients. Reset will not enter into similar arrangements with another private health insurance provider before the earlier of 31 December 2024 or 18 months after the first HIF member is treated at the initial facility. Reset is not restricted from developing similar facilities on its own or in conjunction with parties outside of the private health insurance industry.

(e) **Revenue model**

A key component of the revenue model is derived from the fundamentals of PAP as outlined in Section 2.5. Current PAP treatments should be considered as inherently different from conventional pharmaceutical models that often involve a regular long-term drug regime (e.g., antidepressants) self-administered by the patient. In contrast, current PAP treatments tend to involve an intensive period of psychotherapy over several months with generally two or three doses of psychedelic drugs administered by the therapist during the course of the treatment. The objective of PAP is to provide lasting benefits to the patient without the requirement for ongoing medication.

PAP is a rapidly evolving industry that is still in its infancy in Australia. The revenue streams that are expected to be associated with PAP involve producing and supplying the psychedelic drugs and administering the psychotherapy protocols in clinics.

In the short to medium term, the Company intends to generate revenue by commencing patient treatment under the AP pathway and by supplying psilocybin to third parties in Australia and New Zealand (and potentially Europe) for use in clinical trials and under the AP pathway.

In the longer term, the Company may run its own exclusive clinics or partner with third party clinics for the delivery of PAP.

As the PAP industry continues to develop, the Company, and its revenue model, will remain flexible to adapt with the aim to be at the forefront of the industry in Australia.

The Company may have the potential to add additional revenue streams should it develop unique IP in the course of its research and development activities.

(f) **Next 18 months**

Over the next 18 months, the Company intends to:

- (i) ramp up and refine cultivation activities at the dedicated mushroom cultivation facility on-site at LGP's existing West Australian cannabis cultivation and production facility;

- (ii) fully operationalise the clinic, office and GMP manufacturing facility at Shenton Park
 - (iii) develop and refine psilocybin production techniques with a view to ultimately achieving GMP certification for psilocybin manufacturing at the Shenton Park Facility;
 - (iv) commence clinical trial including, recruiting patients and commencing patient treatment. The clinical trial is expected to take at least 12 months to complete from patient recruitment;
 - (v) establish proof-of-concept clinic and commence patient treatment under AP pathway; and
 - (vi) build relationships with researchers and clinicians in Australia regarding the supply of psychedelic drugs.
- (g) **Significant dependencies**

The Company's business model is dependent on the following key dependencies:

- (i) **AP designation:** The Company's proof-of-concept clinic is dependent on psychiatrists achieving AP designation from the TGA in order to commence operations. The Company believes it is well placed to support appropriately qualified psychiatrists to achieve AP status given the treatment protocols it has developed for its clinical trial which have received HREC approval and it can draw on LGP's extensive experience with the AP pathway in the medicinal cannabis industry.
- (ii) **Down-scheduling of psilocybin:** the AP pathway set down by the TGA provides for down-scheduling of psilocybin and MDMA on a case-by-case basis under strictly defined parameters. Outside of these circumstances, psilocybin and MDMA remain Schedule 9 Prohibited Substances for all other purposes including clinical trials. Wider down-scheduling may be required to facilitate broader demand for psilocybin and MDMA.
- (iii) **Licensing:** The successful execution of the Company's psilocybin business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions and obtaining all other required regulatory approvals for the import, possession, supply and manufacture of psilocybin. The Company's ability to execute its business model and undertake its growth strategy is dependent on LGP's ability to maintain its current and proposed psilocybin licences and permits, including until such time as Reset obtains its own equivalent licences.
- (iv) **GMP certification:** supplying psilocybin is dependent on the Company receiving GMP certification for psilocybin production. The Company has no reason to believe that it will not receive GMP certification in the future.
- (v) **Therapeutic Goods Order (TGO):** Based on information available to the Company, the Company expects the TGA will issue a TGO in respect of the standards and specifications required for psilocybin, however as at the Prospectus Date it is not known when or if this will occur. The Company would

be required to meet these requirements for any psilocybin manufactured and supplied. Refer to Section 2.4 (a) for additional commentary.

2.6 Valuation of Spin-Out Assets

In determining the value for the Spin-Out Assets, the Company did not undertake a formal valuation of the Spin-Out Assets, but took into account the following considerations:

- (a) the Company's ability to raise funds at an issue price of \$0.20 per Share to raise up to \$2,000,000 (before costs) in contemplation of the Company's current capital structure as set out in Section 1.9;
- (b) assessment of the market capitalisation of potential competitors as set out in Section 3.8;
- (c) assessment of the costs incurred by LGP in the development of the Spin-Out Assets; and
- (d) assessment of the future prospects of the Spin-Out Assets based on the level of development of the Spin-Out Assets and the ability of the Company to protect and potentially commercially exploit the underlying intellectual property.

2.7 Competitive advantages

The cultivation and production of drugs in Australia has many barriers to entry. The Company has a licence to supply Schedule 9 psilocybin to eligible licence holders (through LGP) and is in the process of applying for a GMP licence to manufacture psilocybin at the Shenton Park Facility. These licences and certifications are not simple to receive. In addition, the Company has completed construction and installation of its mushroom cultivation and psilocybin production facility and has completed its first mushroom harvest. The Company believes that it would take significant time and expense for a third party to obtain the necessary regulatory approvals and to build a cultivation and production facility to produce naturally derived psilocybin.

If Reset operates its own clinics, it will need to establish relationships for patient referrals into the clinics and to employ therapists to administer the PAP. The Company has put in place highly experienced management, clinical and advisory teams that can leverage their existing relationships. The Company is undertaking its trial work with the highest calibre people and to strict ethical standards to ensure it establishes a reputation as a highly credible, trustworthy and capable participant in the PAP industry as it develops. The trial's Principal Investigator, Professor Sean Hood is one of the most respected voices in psychiatry in Australia. Reset believes the reputation and standing it develops from the outset will be highly influential in its future success in attracting patient referrals and employees should it elect to develop and operate PAP clinics.

An important factor in the broader patient access to PAP is the question of affordability. At present, treatment delivered under the AP pathway will require patients to be self-funded. The Company believes involvement of the private health insurance industry from the outset is required to move towards a model where insurance coverage is provided. Reset has established a strategic alliance with HIF to inform potential future health insurance coverage via its proof-of-concept clinic while also agreeing to a period of exclusivity to negotiate joint development of further treatment centres. Reset believes the strategic alliance with HIF is an endorsement of its standing in the emerging psychedelics field in Australia.

Reset believes that, given its cultivation facility, licences and relationships, it is well positioned to be at, and stay at, the forefront of the PAP industry as it develops in Australia.

2.8 **People**

The Company has appointed a strong Board, which comprises Honourable Cheryl Edwardes AM (Chairperson and Independent Non-Executive Director), Angus Caithness (Executive Director), Shaun Duffy (Non-Executive Director) and Dr Leon Warne (Alternate Director to Shaun Duffy).

Further information on the Board is set out in Section 7.1.

2.9 **Financing of the Company**

The Company is a newly incorporated subsidiary of LGP for Demerger purposes. To date, the Company's operations (including the costs of the Offers) have been borne by LGP pursuant to a loan arrangement. The Company has accrued a loan amount to LGP which is estimated to be up to \$2,250,000 at the completion of the Offers. See Section 8.4 for the material terms and conditions of the Loan Agreement.

The Company's planned activities and business strategy generally as set out in Sections 2.5 will initially be funded by the funds raised under the Capital Raising. However, the Directors anticipate the Company will in the future require additional capital to further its activities. The amount and nature of any such additional funding will be determined based on market conditions and the needs of the business at the relevant time.

2.10 **Dividend policy**

The Company does not expect to pay dividends in the near future as its focus will primarily be on developing the existing business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. The Company cannot give any assurances in relation to the payment of dividends or franking credits.

3. Industry overview

3.1 What is psilocybin?

Psilocybin is a naturally occurring psychedelic drug that is the active component in over 200 species of mushrooms commonly known as “magic mushrooms”.

Psilocybin is a pro-drug that is rapidly metabolised into the active-drug psilocin when ingested by humans. Psilocin is similar in chemical structure to the mood stabilising hormone serotonin and binds to the brain’s serotonin receptors, notably 5-HT_{2A}, creating a psychoactive effect.

Psilocybin can be produced by extraction from suitable mushroom species or synthetically manufactured on a standalone basis.

3.2 History of psilocybin

Archaeological evidence suggests psilocybin has been used in traditional indigenous human cultures for thousands of years for medicinal purposes and religious rituals.

Modern medical research in the western world commenced in 1958 when Swiss chemist Albert Hoffmann isolated psilocybin as the active ingredient in magic mushrooms and identified how to synthesise it. In 1938, Hofmann had previously created the synthetic psychedelic drug lysergic acid diethylamide (**LSD**) while conducting drug research, however shelved the drug as it showed little promise for his research focus. Five years later, Hofmann discovered the psychoactive properties of LSD after inadvertently ingesting a small quantity while conducting further research.

A period of increasing medical research into these psychedelic drugs followed during the 1950s and 1960s with a large number of academic papers published during this period examining their therapeutic potential for various mental health conditions.

During the 1960s however, recreational use of psychedelic drugs became entrenched in the counter-culture and they were ultimately made illegal in the US in 1971 by President Richard Nixon’s “war on drugs”. As a result, medical research lost all momentum and was largely dormant for an extended period.

Medical research has been rebuilding significant momentum over recent years with the term “psychedelic renaissance” now widely used. Current research builds on the work of the 1950s and 1960s and has been advanced by the significant increases in mind and brain sciences since the 1970s. Research has been conducted at some of the world’s premier medical research institutions including Imperial College London, Johns Hopkins University, New York University and UC Berkeley.

Corporate interest in the field of psychedelics has grown significantly with a number of companies, primarily based in North America and Europe, dedicated to advancing the adoption of psychedelic drugs to treat mental health conditions. There are now a number of companies with a primary or substantial focus on psychedelic drugs listed on North American stock exchanges including NYSE, Nasdaq, TSXV, NEO and CSE.

At the forefront of current psychedelic research is psilocybin for various mental health conditions including depression and anxiety related conditions and methylenedioxymethamphetamine (**MDMA**) for post-traumatic stress disorder (**PTSD**).

In 2018, UK based mental healthcare company COMPASS Pathways PLC achieved “breakthrough designation” from the US Food and Drug Administration for the treatment of treatment-resistant depression using psilocybin. Breakthrough designation is granted when preliminary clinical evidence suggests a new treatment has the potential to be demonstrably better than current treatment methods.

Similarly, in 2017 US not-for-profit research institute MAPS (Multidisciplinary Association for Psychedelic Studies) achieved breakthrough designation for the use of MDMA in the treatment of PTSD.

3.3 **Main properties and uses of psilocybin**

Psilocybin has been used in clinical trial research to date as part of a therapy practise known as “psychedelic assisted psychotherapy” (**PAP**) to treat mental health conditions such as depression, anxiety and PTSD as well as eating disorders and addiction.

The current treatment model for the use of psilocybin is unique in that the drug administration is a component of a broader psychotherapy regime administered to the patient. The treatment regime includes three distinct phases, as set out below.

(a) **Patient preparation**

The patient is assessed for suitability for PAP including screening for contraindications such as bipolar disorder, schizophrenia, and psychosis. Patient assessment and screening would generally be undertaken by a psychiatrist. The patient will then have a number of preparation sessions with two psychotherapists to ensure the patient is appropriately prepared for the dosing sessions. The mindset the patient brings to the dosing sessions is thought to be highly important to the overall outcomes.

(b) **Dosing session**

The patient is administered a dose of psilocybin accompanied by two psychotherapists. The role of the therapists is to “guide” the patient while under the effects of the drug. The session may last 6-8 hours. The characteristics of the physical setting in which the dosing occurs is also important, with a quiet, comfortable and inviting environment as opposed to a clinical hospital style setting considered to be ideal.

(c) **Integration**

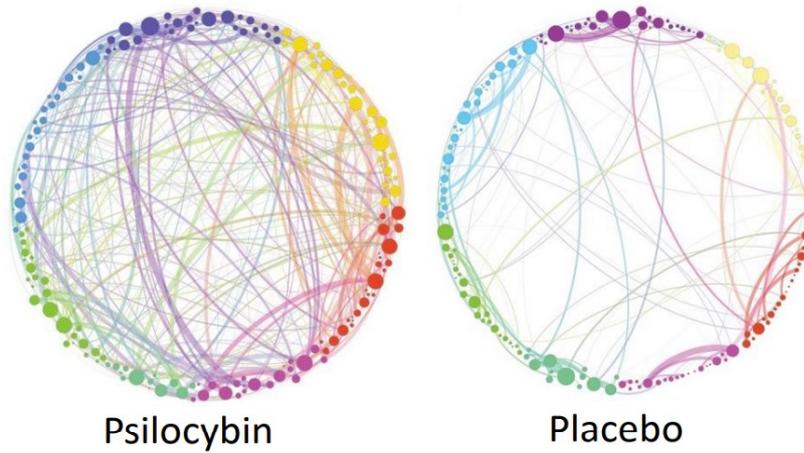
The patient will then receive a number of therapy sessions in the weeks following the dosing session with the psychotherapists that were present for the dosing.

The dosing session and integration phases will generally be repeated at least once as part of the treatment regime.

The objective of PAP is to provide the patient lasting psychological benefits that are not necessarily dependent on daily medication such as anti-depressants.

Clinical research conducted to date has demonstrated psilocybin disrupts pre-existing brain communication and brain function is less constrained (refer Figure 1 below) with patients experiencing a period “neuroplasticity” in the weeks following the dosing session. This altered brain activity when combined with a thorough psychotherapy regime provides the potential for lasting patient benefits. The outcome is frequently referred to as a “reset” of the brain, hence the name of the Company.

Increased communication between brain networks (based on fMRI scans)



Source: Beckley Foundation, United Kingdom
Based on clinical trials at Imperial College, London

Figure 1: Psilocybin and brain communication and brain function⁵

In addition, contrary to frequently held public opinion, psilocybin is non-toxic with a high safety profile and very low propensity for addiction. The following chart compares the potential for dependence and a lethal dose of psilocybin to a number of other drugs.

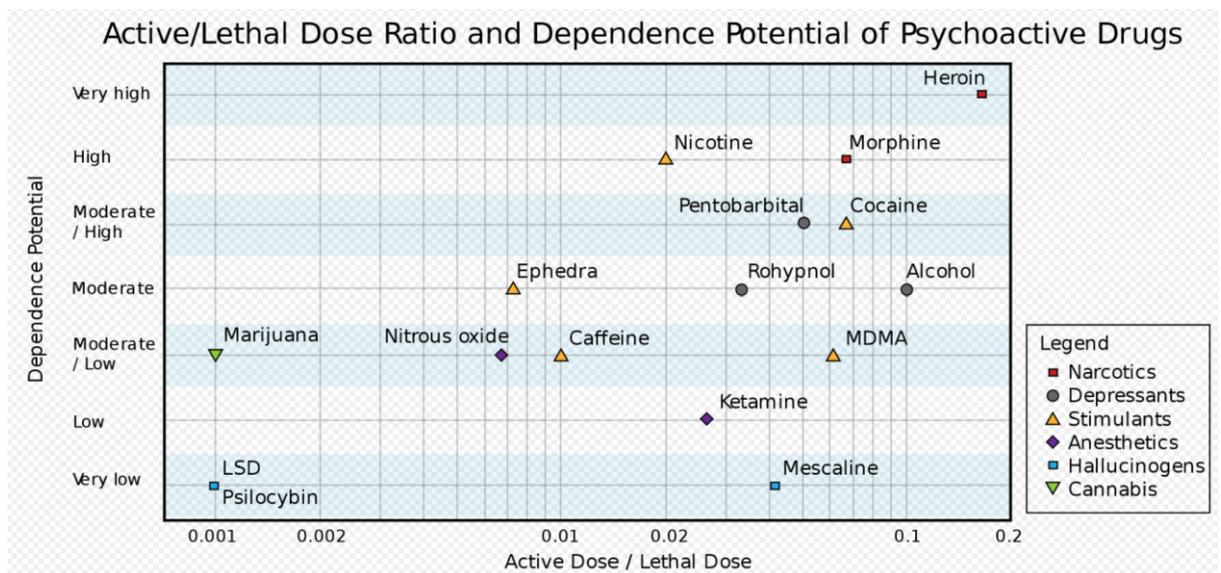


Figure 2: Dependence potential of psychoactive drugs⁶

⁵ Beckley Foundation, United Kingdom. The author has not provided their consent for the statement to be included in this Prospectus.

⁶ Gable, R. S. (2006). Acute toxicity of drugs versus regulatory status. In J. M. Fish (Ed.), *Drugs and Society: U.S. Public Policy*, pp.149-162, Lanham, MD: Rowman & Littlefield Publishers. The author has not provided their consent for the statement to be included in this Prospectus.

3.4 Access to psilocybin

Psilocybin is currently classified as a Schedule 9 (Prohibited Substance) by the TGA in Australia. As a Schedule 9 substance, its use has been limited to medical and scientific research, subject to regulatory controls, or theoretically via the TGA's Special Access Scheme (**SAS**). The SAS requires case-by-case approval from the TGA to administer the drug to a patient and also a Schedule 9 licence from the relevant Australian state government health department in order to handle the drug.

Until 1 July 2023, access to the drug has therefore been restricted to parties conducting approved clinical trials with appropriate permits and procedures in place to handle and administer Schedule 9 substances.

On 1 July 2023 the TGA changed the classification of psilocybin and MDMA to enable their prescribing by authorised psychiatrists for the treatment of certain mental health conditions. This meant Australia became the first country in the world to recognise psychedelics as medicines and paves the way for the use of psilocybin for the treatment of treatment resistant depression and MDMA for PTSD subject to strictly defined parameters. The TGA will only allow psychedelics to be prescribed by psychiatrists subject to full documentation of treatment protocols, approval from by a HREC and the psychiatrist receiving AP designation from the TGA. When these parameters are met, psilocybin and MDMA will be reclassified from Schedule 9 (Prohibited Substances) to Schedule 8 (Controlled Substances). The substances will retain their Schedule 9 classification in all other circumstances including for clinical trials.

To date, Australian researchers have been competing for access to psilocybin in the international market which is has a very limited number of suppliers. Following the reclassification announcement by the TGA international manufacturer interest in Australia has increased and domestic supply channels are beginning to emerge.

3.5 Market drivers and restraints

As noted in Section 2.4, above, on 1 July 2023 the TGA changed the classification of psilocybin and MDMA to enable their prescribing by authorised psychiatrists for the treatment of certain mental health. This meant Australia became the first country in the world to recognise psychedelics as medicines, albeit subject to strictly defined parameters. The announcement by the TGA has accelerated momentum in the psychedelics industry in Australia and brought Australia to the forefront of the industry globally.

The roll out of this program will be a key market driver in Australia as it provides a mechanism for the treatment of patients outside of a clinical trial environment and facilitates the commencement of revenue generating commercial activities for companies in the sector. Reset is particularly focused on the development of a proof-of concept clinic to commence patient treatment while also investigating the integration of PAP into the existing mental healthcare and private health insurance systems.

3.6 Current and potential market size

It is envisaged psychedelics will become an additional treatment option available to mental healthcare providers for use in appropriate cases. Given the significant and increasing mental health epidemic in Australia, it is envisaged there would be a material and sustainable number of potential candidates for psychedelic therapy with depression or anxiety related conditions based on the prevalence of these conditions in the Australian population.

The global pharmacotherapy market for mental and behavioural health indications that psychedelics are seeking to access is significant, particularly when you consider health indications with no or few approved drugs e.g. the rehabilitation services market for substance abuse. Psychedelics will aim to displace a portion of standard of care therapeutic sales.

The most recent data from the Australian Bureau of Statistics as at 2017-18 indicates mental and behavioural conditions are commonplace in the Australian community and had increased over the previous data from 2014-15.⁷ Mental health was the most common chronic condition in Australia in 2017-18. In a survey of 13,829 respondents published in The Medical Journal of Australia, about one quarter reported mild to moderate symptoms of depression or anxiety during the first month of COVID-19 restrictions in Australia.⁸

As at 2017-18:

- (a) One in five (20.1%) or 4.8 million Australians had a mental or behavioural condition, an increase from 4.0 million Australians (17.5%) in 2014-15.⁹
- (b) 3.2 million Australians (13.1%) had an anxiety-related condition, an increase from 11.2% in 2014-15.¹⁰
- (c) 10.4% of Australians had depression or feelings of depression, an increase from 8.9% in 2014-15.¹¹

In July 2022, the Australian Bureau of Statistics released statistics estimating that two in five Australian aged 16-85 had experienced a mental disorder at some time in their life and one in five had experienced symptoms of those disorders in the prior 12 months.¹²

Antidepressants are now one of the most commonly prescribed drugs in Australia with more than 4.7 million prescriptions issued between July 2019 and June 2020.¹³ Despite the frequency with which antidepressant medication is issued to patients, depression and anxiety continues to afflict a meaningful and increasing percentage of the Australian population.

3.7 Regulatory overview in Australia

Prior to 1 July 2023, psilocybin had been classified as a Schedule 9 (Prohibited Substance) by the TGA. As a Schedule 9 substance, its use is limited to medical and scientific research, subject to regulatory controls.

From 1 July 2023 the TGA changed the classification of psilocybin and MDMA to enable their prescribing by authorised psychiatrists for the treatment of certain mental health conditions. The

⁷ <https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release#data-downloads>. The author has not provided their consent for the statement to be included in this Prospectus.

⁸ <https://www.mja.com.au/journal/2020/mental-health-people-australia-first-month-covid-19-restrictions-national-survey>. The author has not provided their consent for the statement to be included in this Prospectus.

⁹ <https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release>. The author has not provided their consent for the statement to be included in this Prospectus.

¹⁰ <https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release>. The author has not provided their consent for the statement to be included in this Prospectus.

¹¹ <https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release>. The author has not provided their consent for the statement to be included in this Prospectus.

¹² <https://www.abs.gov.au/media-centre/media-releases/two-five-australians-have-experienced-mental-disorder>. The author has not provided their consent for the statement to be included in this Prospectus.

¹³ <https://www1.racgp.org.au/newsgp/clinical/an-antidepressant-is-now-one-of-australia-s-most-c>. The author has not provided their consent for the statement to be included in this Prospectus.

change meant Australia became the first country in the world to recognise psychedelics as medicines and paves the way for the use of psilocybin for the treatment of treatment resistant depression and MDMA for PTSD subject to strictly defined parameters. The TGA will only allow psychedelics to be prescribed by psychiatrists subject to full documentation of treatment protocols, approval from by a HREC and the psychiatrist receiving AP designation from the TGA. When these parameters are met, psilocybin and MDMA will be reclassified from Schedule 9 (Prohibited Substances) to Schedule 8 (Controlled Substances). The substances will retain their Schedule 9 classification in all other circumstances including for clinical trials.

3.8 Industry structure and key players

The Australian market is at an early stage with a historical focus primarily on clinical research and increasingly a focus on patient treatment and drug supply following the AP pathway announced by the TGA. In addition to a number of academic institutions conducting research, the following Australian participants are worthy of note:

- (a) **Incannex Healthcare Limited (ASX:IHL):** formed dedicated psychedelics subsidiary to focus on psychedelic research and product development and establishment of clinic operations.¹⁴
- (b) **Emyria Limited (ASX:EMD):** clinical drug development and healthcare delivery company focused on MDMA.¹⁵
- (c) **Vitura (ASX:VIT):** Formed JV with Canadian company PharmAla Biotech for the supply of synthetic psilocybin and MDMA.¹⁶
- (d) **Mind Medicine Australia:** not-for-profit focused on education and advocacy of psychedelic medicines and has developed its own course to train therapists in the delivery of psychedelic assisted therapy. To date the training course is not accredited by recognised mental healthcare industry bodies.¹⁷
- (e) **Psychae Institute:** non-profit research centre dedicated to developing novel psychedelic therapies as registered medical treatments for mental disorders and other diseases. Psychae states it has a funding commitment of \$40 million over five years from a North American biotechnology company.¹⁸

Internationally, research has been undertaken at a number of premier medical research universities with the following now establishing psychedelic focused centres of excellence:

- (a) Imperial College London, Centre for Psychedelic Research;¹⁹
- (b) Johns Hopkins Center for Psychedelic & Consciousness Research;²⁰

¹⁴ Incannex Healthcare Limited has not provided its consent for the above statements to be included in this Prospectus.

¹⁵ Emyria Limited has not provided its consent for the above statements to be included in this Prospectus.

¹⁶ Vitura has not provided its consent for the above statements to be included in this Prospectus.

¹⁷ Mind Medicine Australia has not provided its consent for the above statements to be included in this Prospectus.

¹⁸ Psychae Institute has not provided its consent for the above statements to be included in this Prospectus.

¹⁹ Imperial College London, Centre for Psychedelic Research has not provided its consent to be named in this Prospectus.

²⁰ Johns Hopkins Center for Psychedelic & Consciousness Research has not provided its consent to be named in this Prospectus.

- (c) UC Berkeley Center for the Science of Psychedelics;²¹
- (d) New York University, Center for Psychedelic Medicine;²²
- (e) Icahn School of Medicine at Mount Sinai, The Center for Psychedelic Psychotherapy and Trauma Research; and²³
- (f) Massachusetts General Hospital, Center for the Neuroscience of Psychedelics.²⁴

The following North American not-for-profit organisations are prominent participants in the industry:

- (a) **MAPS, Multidisciplinary Association for Psychedelic Studies:** MAPS was established in 1986 and has been the initial driving force behind the renaissance of psychedelic research. The FDA has designated MAPS MDMA-assisted therapy for PTSD a Breakthrough Therapy and its Phase 3 clinical trial of MDMA-assisted therapy demonstrated statistically significant improvement in PTSD symptoms after three sessions.²⁵
- (b) **Usona Institute:** Supports and conducts pre-clinical and clinical research to further the understanding of the therapeutic effects of psilocybin and other consciousness-expanding medicines²⁶.
- (c) **Heffter Research Institute:** Focused on studies of psilocybin for the treatment of addictions and other mental disorders.²⁷

²¹ UC Berkeley Center for the Science of Psychedelics has not provided its consent to be named in this Prospectus.

²² New York University, Center for Psychedelic Medicine has not provided its consent to be named in this Prospectus.

²³ Icahn School of Medicine at Mount Sinai, The Center for Psychedelic Psychotherapy and Trauma Research has not provided its consent to be named in this Prospectus.

²⁴ Massachusetts General Hospital, Center for the Neuroscience of Psychedelics has not provided its consent to be named in this Prospectus.

²⁵ MAPS, Multidisciplinary Association for Psychedelic Studies has not provided its consent to be named or for the statement to be included in this Prospectus.

²⁶ Usona Institute has not provided its consent to be named or for the statement to be included in this Prospectus.

²⁷ Heffter Research Institute has not provided its consent to be named or for the statement to be included in this Prospectus.

4. Risk factors

The Shares offered under this Prospectus are considered speculative. Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for the Shares pursuant to this Prospectus.

In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. Those risks, along with other specific and general risks involved in investing in the Company, are set out in more detail in this Section 4.

The risks described below are not to be taken as exhaustive. Where relevant, the risks below assume completion of the Offers have occurred. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of the Shares.

4.1 Risks specific to the Company

(a) **Authorised Prescriber (AP) designation**

The Company's proof-of-concept clinic is dependent on psychiatrists achieving AP designation from the TGA in order to commence operations. The Company believes it is well placed to support appropriately qualified psychiatrists to achieve AP status given the treatment protocols it has developed for its clinical trial which have received HREC approval and it can draw on LGP's extensive experience with the AP pathway in the medicinal cannabis industry. Despite this, there are however no guarantees this process will be successful. If Reset's current support program for appropriately qualified psychiatrists to achieve AP status based on its existing treatment protocols is unsuccessful, and Reset is also unable to suitably modify its treatment protocols to enable psychiatrists to achieve HREC approval and AP status, then Reset's commercial and regulatory offering to psychiatrists will be reduced, with Reset's offering limited to engaging with psychiatrists who have already achieved AP status and who require clinical facilities and access to psilocybin products to undertake treatment. This could adversely affect the Company's business, financial condition, and prospects.

(b) **Loss making operation, future capital needs and additional funding**

Reset was incorporated in 2021 and is yet to generate revenue. Accordingly, as at the Prospectus Date, Reset is loss making and is not cash flow positive, meaning it is reliant

on raising funds from investors to continue to fund its operations and product development.

The Company intends to spend significant funds to grow its operations. As the Company continues to grow, expenses will continue to exceed revenue, resulting in further net losses in the future. Although the Directors consider that Reset will, on completion of the Offers, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated working capital and other capital requirements set out in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

The future capital requirements of Reset will depend on many factors, including the pace and magnitude of the development of its business, and the Company may need to raise additional funds from time to time to finance the ongoing development and to meet its other longer-term objectives particularly given the Company will not be able to raise funds from the issue of quoted Securities on a recognised stock exchange. In addition, the risks and uncertainties associated with supplying and manufacturing psilocybin products, including future regulatory changes and developments in the industry more generally, means the Company is unable to accurately predict when, or if, it will be able to achieve profitability. Even if profitability is achieved in the future, it may not be sustained for subsequent periods potentially affecting the Company's ability to raise capital, expand its business or continue its operations.

The continued development of the Reset business may require additional funding following the closing of the Offers, and there is no assurance that the Company will obtain the funding necessary on acceptable terms or at all to be able to achieve its business objectives. The Company's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its planned expansion, development or research. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable. If the Company continues to incur losses in the future, the net losses and negative cash flows may have an adverse effect on shareholders' equity and working capital.

(c) **Loan risk**

The Company is party to the Loan Agreement under which the Company is required to repay an amount to LGP which is estimated to be up to \$2,250,000 at completion of the Offers, with interest accruing at 10% per annum.

In the event the funds owing under the Loan Agreement are not repaid by the Maturity Date, the outstanding funds owing under the Loan Agreement convert into Shares in the Company, which may cause LGP to acquire a substantial voting power in the Company. To illustrate LGP's maximum potential relevant interest in the Company on conversion of the Loan under several scenarios, see Section 1.4.

To the extent that conversion of the funds owing under the Loan Agreement would cause LGP to increase its voting power in the Company:

- (i) from 20% or below to above 20%; or

(ii) from a starting point of above 20% and below 90%,

Shareholder approval would be required in order to approve the increase in voting power in accordance with Item 7 of section 611 of the Corporations Act.

In the event that Shareholders did not approve the increase in voting power, Reset would still be required to repay the funds owing under the Loan Agreement in cash (less the value of any Shares issued to LGP that would not require the prior receipt of Shareholder approval, if applicable). There is no guarantee the Company will have sufficient capital available to repay the funds owing under the Loan Agreement following the Offers including if Shareholders did not approve the increase in the voting power. Accordingly, the Company may be required to seek urgent alternative funding arrangements, whether that be through a debt provider or through an equity raising. The Company cautions investors that there can be no certainty that such alternate funding will be available on acceptable terms, or indeed at all. Failure to obtain such alternate funding would have a material adverse effect on Reset's operations, financial performance and financial position. Furthermore, failure to repay the funds owing under the Loan Agreement would mean Reset would be in default of its obligations under the Loan Agreement, which would have a significant adverse impact on Reset's ability to continue as a going concern.

(d) **Liquidity risk**

Reset is an unlisted public company and does not intend to seek a listing on a recognised securities exchange. Following the Offers, there will be no public or active market for the trading of Shares in Reset. There is a risk that there will be no or limited opportunities for the sale of Shares.

Reset does not currently have a sale mechanism in place for its Shares. Shareholders looking to sell their Shares are encouraged to speak to the stockbrokers or otherwise contact the company secretary at cosec@resetmind.com.au to register their intention to deal in the Shares. There are no guarantees that the registration of such intention will lead to a sale of the relevant Shares.

Shares may be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer. In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel.

There may be no or relatively few potential buyers or sellers of the Reset Shares at any given time. This may affect the prevailing market price at which Shareholders are able to sell their Reset Shares. This may result in Shareholders receiving a market price for their Reset Shares that is more or less than the price Shareholders paid for their Shares.

(e) **Down-scheduling psilocybin**

The AP pathway set down by the TGA provides for down-scheduling of psilocybin and MDMA on a case-by-case basis under strictly defined parameters. Outside of these circumstances, psilocybin and MDMA remain Schedule 9 Prohibited Substances for all other purposes including clinical trials. Wider down-scheduling may be required to facilitate broader demand for psilocybin and MDMA.

(f) **Therapeutic Goods Order**

Based on information available to the Company, Reset expects the TGA will publish a Therapeutic Goods Order (**TGO**) stipulating the specifications for psilocybin and MDMA to be used in the Australian market, however as at the Prospectus Date it is not known when or if this will occur. Currently, there has been no such TGO published and as a result, there is not yet definitive guidance for manufacturers to comply with for psilocybin production. The TGO is expected to provide requirements for psilocybin that has been both synthetically manufactured and derived from natural sources via extraction from mushrooms, however there can be no guarantee as to the content of the TGO, the required technical specifications and even whether mushroom derived psilocybin will be permitted. Based on international precedents, notably Canada, Reset anticipates there will be allowance for naturally derived psilocybin products and is confident it will have the technical capability to meet these requirements. In the event that the TGO publishes guidance that does not allow for the manufacture of psilocybin derived from natural sources, it is likely that the Company will not be able to utilise its grow room facilities for the sale of psilocybin in the Australian market, which may have an adverse financial impact on the Company.

(g) **Maintaining and expanding psilocybin licences and regulatory risk**

The successful execution of the Company's psilocybin business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions and obtaining all other required regulatory approvals for the import, possession, supply and manufacture of psilocybin.

The Company's ability to execute its business model and undertake its growth strategy is dependent on LGP's ability to maintain its current and proposed psilocybin licences and permits, including until such time as Reset obtains its own equivalent licences. LGP holds:

- (i) a licence to import (Licence No, 2223320), issued under the *Customs (Prohibited Imports) Regulations 1956 (Cth) (CPIRs)*. The licence authorises LGP to import psilocybin generally into Australia. Australian pharmaceutical import licences are granted on an annual basis (1 January to 31 December), with LGP's licence valid from between 1 January 2023 to 31 December 2023; and
- (ii) a Schedule 9 licence to possess and supply psilocybin (Licence 29042), which is valid until 7 August 2024. The Schedule 9 licence permits certain individuals to possess psilocybin at premises identified on the licence. LGP must ensure that any person or entity to whom it supplies psilocybin (for example, for the purposes of creating psilocybin capsules or for use in clinical trials) also holds a Schedule 9 licence or permit under the *Medicines and Poisons Act 2014 (WA) (MP Act)* or equivalent legislation in other Australian states and territories, or is otherwise authorised to possess and use, the substance.

While LGP intends to submit renewal and variation applications of its existing licences and permits by the requisite dates and is not aware of any reason why the relevant bodies would refuse to renew or vary the licences and permits, the Company cannot guarantee that the licences or permits will be renewed or varied in a timely manner or at all.

Existing licenses and permits and any new licenses and permits obtained in the future in Australia or other jurisdictions may also be revoked or restricted at any time should LGP fail to comply with the applicable regulatory requirements or with conditions set out under those licenses and permits. Should the licenses or permits be revoked or not renewed, LGP may not be able to import psilocybin into Australia, possess and supply psilocybin in Australia or manufacture psilocybin.

As the psilocybin industry continues to evolve, it is likely that there will continue to be changes to existing legislation and/or the application, interpretation and enforcement of the legal and pharmaceutical requirements in many jurisdictions which govern the operations and contractual obligations of LGP and the Company.

The above factors could all impact adversely on the operations and the financial performance of the Company, and in some cases the psilocybin industry in general.

The Company has leased the Shenton Park Facility that will require an additional granting of a Schedule 9 licence in respect of Reset's intention to possess, store, supply and manufacture psilocybin from that site. In addition, the site will require certification from the TGA of its GMP compliance in order to undertake manufacturing activities. While the Company is confident of achieving the necessary licence and certification at its Shenton Park Facility there can be no guarantee these will be achieved.

In the absence of receiving this licence and certification, the Company is reliant on, amongst other things, the rights granted by LGP to use its facilities under the Exclusive Supply and Services Agreement (**ESSA**), and the provision of technical personnel under the Professional Services Agreement (**PSA**), summaries of which are in Sections 8.2 and 8.3, respectively. If the Company is not able to procure a Schedule 9 licence and GMP certification under its own or alternative arrangements within the 3-year term of the ESSA and PSA, the Company will be required to engage with third parties in Australia or overseas to provide such capabilities or services to Reset. There is no guarantee the Company will be able to procure such services from third parties on terms acceptable to the Company, or indeed at all. To that end, the Company may be solely reliant on importing or procuring psilocybin finished products directly from third-party suppliers, resulting in additional costs and supply uncertainties to the Company.

(h) **Contractual risk**

To help support the Company during its transition following the Demerger, the Company and LGP are parties to the ESSA and PSA, which enable (amongst other things) the ongoing supply of psilocybin products, the utilisation of LGP's specialised facilities (including to co-locate Reset's mushroom growing facility at LGP's existing Schedule 9 licensed cannabis cultivation site), and provision of technical and professional services until such time as Reset is able to cultivate, manufacture and import psilocybin under its own or alternative arrangements. See Sections 8.2 and 8.3 for further details regarding the ESSA and PSA.

If either or both the ESSA or PSA are terminated, then the Company will be required to (amongst other things) find another site capable of operating the specialised mushroom growing facility and another party which can provide GMP mushroom product manufacturing services. The Company is currently investigating whether it can utilise its Shenton Park Facility to store and operate the specialised mushroom cultivation facility and is undertaking development activities to secure its own GMP licence at the Shenton Park Facility to manufacture psilocybin products, to mitigate any residual risk of an early

termination of the ESSA and PSA. However, if the ESSA is terminated prior to the Company being able to cultivate, manufacture and import psilocybin under its own or alternative arrangements and is not able to find another location or third-party source for GMP manufacturing services, it will not be able to offer its own manufactured products to customers and would be required to source alternative products, including synthetic products, from third parties. There is no guarantee the Company will be able to procure such products from third parties on terms acceptable to the Company, or indeed at all. If the PSA is terminated, the Company will need to rapidly hire staff to provide replacement support services and may need to engage consultants to help manage skills gaps. Accordingly, if either or both the ESSA or PSA are terminated, this will result in additional costs and delays in executing the Company's strategy and operations. Furthermore, termination of the ESSA or PSA prior to the Company being able to cultivate, manufacture and import psilocybin under its own or alternative arrangements, could adversely affect the Company's business, financial condition, and prospects.

Reset has also secured a long-term commercial lease agreement for a unique property that incorporates office, the Initial Clinic and a previously certified GMP manufacturing facilities in the Perth suburb of Shenton Park. A detailed description of the Shenton Park Lease Agreement is set out in Section 8.6.

If the Shenton Park Lease Agreement is terminated, the Company will not be able to:

- (i) offer its Initial Clinic related services to patients until the Company is able to secure a substitute location; and
- (ii) undertake its own GMP manufacturing services or other psilocybin production activities at the Shenton Park Facility,

which could result in additional costs and delays in executing the Company's strategy and could adversely affect the Company's business, financial condition, and prospects. Furthermore, a termination of the Shenton Park Lease Agreement may result in the Company being in default of its obligations under the HIF Strategic Alliance Agreement.

(i) **Failure to achieve GMP certification at Shenton Park Facility**

The Company is currently seeking GMP certification for the manufacture of psilocybin products at its Shenton Park Facility. The Directors reasonably believe that the Company will be successful in obtaining an endorsement for the GMP manufacture of psilocybin products at the Shenton Park Facility. However, in the event the Company is not successful in procuring a GMP certification for the manufacture of psilocybin products at its Shenton Park Facility prior to the expiry or termination of the ESSA, then the Company will need to procure GMP manufacturing services from another third-party in Australia or overseas. The Company would as a result be reliant on importing or procuring naturally derived psilocybin or synthetically produced psilocybin. This will result in additional costs and delays in executing the Company's strategy and operations. There is no guarantee the Company will be able to procure such services or products from third parties on terms acceptable to the Company, or indeed at all.

(j) **Import risk**

The importation of psilocybin is regulated at a Federal level by the Office of Drug Control (ODC), through its national licensing scheme, under delegated authority of the

Secretary of the Department of Health pursuant to the CPIRs. The CPIRs provide that the importation of psilocybin is prohibited unless a person is the holder of:

- (i) an import licence, which grants general authority to import psilocybin into Australia; and
- (ii) an import permit, which authorises the importation of each specific consignment of psilocybin.

Similar restrictions are in place for other Schedule 9 drugs, including MDMA.

In addition to its own obligations, LGP will also need to ensure that the entity from which it is purchasing psilocybin holds appropriate licences or approvals to export psilocybin in those relevant jurisdictions.

Permits for individual consignments will only be granted under the CPIRs when certain requirements are met, including but not limited to:

- (i) the importer holds a relevant state licence to possess or supply psilocybin; and
- (ii) there are appropriate arrangements in place for its safe transportation and storage.

As noted above, LGP holds a licence to import psilocybin into Australia and a Schedule 9 licence to possess and supply psilocybin. Accordingly, LGP's ability to lawfully import psilocybin into Australia is subject to the grant of a permit following satisfaction of all other requirements under the CPIRs. While the Company is not aware of any reason why the ODC would refuse to renew these licences or grant a permit, the Company cannot guarantee these licences will be renewed or permits will be granted in a timely manner or at all. Failure to renew or obtain these licences and permits could adversely affect the Company's business, financial condition, and prospects.

(k) **Key inputs for growing psilocybin**

The Company's and LGP's businesses are dependent on a number of key inputs, such as electricity, water and other utilities, as well as cultivation materials and inputs, equipment, parts and components related to on-going operations. Any significant interruption, price increase or negative change in the availability or economics of the supply chain for key inputs and, in particular, rising or volatile energy costs could curtail production. In addition, operations would be significantly affected by a prolonged power outage. The Company's and LGP's ability to compete and grow psilocybin is also dependent on them having access, at a reasonable cost and in a timely manner, to inputs, materials, equipment, parts and components. No assurances can be given that the Company and LGP will be successful in maintaining their equipment, facilities and supply chains.

Any significant interruption or negative changes in the availability or economics of the supply chains for the inputs could materially impact the business, financial condition and operating result of the Company.

(l) **Agricultural and force majeure risks**

The Company and LGP intend to produce psilocybin involving an agricultural process. As such, these businesses will be subject to the risks inherent in an agricultural

business, including risks of crop failure presented by insects, plant diseases, mould and other agricultural risks. Although the Company and LGP currently intend to grow psilocybin indoors under climate-controlled conditions, there can be no assurance that natural elements, including insects, mould and plant diseases, will not entirely interrupt production activities or have an adverse effect on these businesses.

Adverse changes or developments affecting cultivation, production, and processing facilities, including, but not limited to, disease, mould or infestation of crops, fire, explosions, power failures, flood, storms or natural disasters, or material failures of the Company's or LGP's security infrastructure, could reduce or require the Company or LGP to entirely suspend its production of psilocybin. These factors can also impact grow times, the number of harvests and expected production yields.

(m) **Reliance on key personnel**

Reset is largely dependent on the performance of its management team (including Dr Leon Warne), contract clinicians and certain highly qualified employees and other research and development personnel and the Company's continuing ability to attract and retain such employees.

Dr Leon Warne acts in the capacity of a Chief Operating Officer and is currently engaged by LGP and provides services to Reset in accordance with the PSA. There is a risk that LGP could elect not to provide Leon's services to Reset. Similarly, there is a risk that LGP could fail to retain Leon's services and therefore be unable to provide Leon under the terms of the PSA. In either circumstance, the loss of Leon's services would adversely affect the operations of Reset.

The Company is also dependent on its ability to recruit and retain suitably qualified personnel. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any such personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Company from executing the business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. There are a limited number of persons with the requisite knowledge of the psilocybin industry and relevant experience.

The unplanned loss of the services of any of the Directors or members of the key management personnel could materially adversely affect the business until a suitable successor can be found. In addition, a number of the Company's highly qualified personnel may not be readily substituted, if at all, through the hiring of external personnel, and the loss of any of key researchers, developers or other personnel could also have a material adverse effect on the business unless and until the Company finds a qualified successor. There are also a limited number of persons with the requisite competencies to serve in these positions, and the Company cannot provide any assurance that the Company would be able to locate or employ such highly qualified personnel in a timely manner, on terms acceptable to the Company or at all. The inability to attract and retain key and other highly qualified personnel could have a material adverse effect on the business, financial condition, results of operations and prospects.

(n) **Risks associated with clinical trials**

Clinical trials are expensive, time consuming and difficult to design and implement. In the event the Company conducts clinical trials, even if the results are favourable the Company's initial clinical trial is expected to continue for a year or more.

Regulatory authorities may suspend, delay or terminate the clinical trials at any time for various reasons, including but not limited to:

- (i) changes in applicable regulatory policies and regulations;
- (ii) failure to design appropriate clinical trial protocols; or regulatory concerns with psilocybin products generally and the potential for abuse;
- (iii) failure to obtain appropriate ethics approval for the clinical trial;
- (iv) discovery of serious or unexpected toxicities or side effects experienced by trial participants;
- (v) lack of effectiveness of any product during clinical trials;
- (vi) unfavourable results from on-going pre-clinical studies and clinical trials; and
- (vii) failure by the Company, trial operators, its employees, or contractors to comply with all applicable regulatory requirements relating to the conduct of clinical trials.

Any of the above could have a material adverse effect on the Company's business, results of operations and financial conditions.

(o) **Risk to the traditional pharmaceutical model**

Traditionally the pharmaceutical model relies on long term market exclusivity and lifelong patients. Current studies in PAP are focused on providing patients with a limited number of doses with the intention of providing more enduring benefits to patients alleviating the requirement for ongoing medication. This business model challenges the traditional pharmaceutical model which typically relies on palliative care models and long-term product consumption profiles.

The anticipated comparatively short-term nature of the product consumption and therapy profiles associated with psychedelic products challenges the traditional pharmaceutical model and requires industry providers to develop and apply new pricing and revenue models to achieve profitability. The success of these new models has no clear precedent in traditional pharmaceuticals and may not be successful, in which case the Company may achieve only limited profitability, or not at all.

Similarly, given the long history of psychedelic compounds, the potential to patent and exclusively exploit products is smaller than novel areas of pharmaceutical research. This reduced opportunity for patentable or statutorily protected markets could mean the psychedelics industry develops more consistently with the current medicinal cannabis model, which evidences a large number of competitors and products. In this event, the Company's prospects of achieving significant revenues or attaining profitability may be reduced, including where the Company is unable to achieve either.

(p) **Fraud and security risk**

The Company is exposed to the risk that its employees, contractors and agents may engage in fraudulent or other illegal activity, including intentional undertakings of unauthorised activities, or reckless or negligent undertakings of authorised activities, in each case on the Company's behalf or in its service that violate, among other things, government regulations, manufacturing standards, healthcare laws, regulations and codes of ethics, financial and other requirements or the terms of the Company's agreements with insurers. These outcomes would result in significant reputational and financial loss and damage for the Company.

The Company is also subject to the risk of theft of the Company's products and other security breaches by both internal and external actors, including criminal organisations and black-market operators. The security of psilocybin during transportation to and from LGP's facilities is critical to its business operations. A breach of security during transport or a security breach at LGP's facilities could result in a significant loss of available high-value product, expose the Company to additional liability under applicable regulations and to potentially costly litigation or increase expenses relating to the resolution and future prevention of similar thefts, any of which could have an adverse effect on the business, its financial condition, results of operations and prospects. Any failure to take steps necessary to ensure the safekeeping of the psilocybin could also have an impact on the Company's ability to continue operating under its existing licenses, to renew or receive amendments to its existing licenses or to receive required new licenses or approvals.

(q) **Research and development**

In order to remain competitive, the Company intends to continue to undertake research and development. The Company makes no representation that any of its research into or development of its products will be successful or that the products will be commercially exploitable.

There are many risks inherent in the development of products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

In addition, there may not be sufficient resources to maintain the Company's research and development activities. The Company provides no assurance that its research and development activities will result in the creation of any new intellectual property or know-how capable of being utilised in the Company's business activities.

(r) **Systems, privacy and breach risk**

The Company relies and will increasingly rely on information technology platforms and software including enterprise resource planning systems to manage many or all aspects of their operations. These systems are potentially susceptible to malfunction, network failures, maintenance issues, outages, wilful or accidental or mistaken use or data entry, theft or misuse, acts of vandalism, hacking, sabotage, viruses, spearphishing, and ransomware attacks. The occurrence of one or more of these events or attacks could significantly comprise the Company's operations and result in delays to production, export, imports or sales resulting in loss or damage to the Company.

The Company may also collect personal or sensitive information from individuals in connection with the conduct of its operations, both from individuals in Australia and from jurisdictions outside Australia. The Company or its employees may intentionally or inadvertently collect personal or sensitive information or use such information contrary to applicable laws, which could result in significant loss or damage, including reputational damage, to the Company. In addition, the risks described above could also result in breaches of data security, loss of critical data, and the release, misuse or misappropriation of sensitive or personal information, potentially leading to claims for loss or damage from third parties affected by, or civil or criminal claims from regulators arising from, such breach, loss or release.

4.2 Industry specific risks

(a) Psilocybin industry in Australia

The psilocybin industry in Australia is entering a new phase with patient treatment able to be conducted outside of a clinical trial environment under the TGA new AP pathway that came into effect from 1 July 2023. The success or otherwise of treatment conducted across Australia under this mechanism will have a substantial bearing on the evolution of the industry in the medium term. There can be no guarantee treatment will successfully translate from clinical trials and be broadly successful. Attitudes or regulators, clinicians, patients and the public more broadly is likely to be influenced by the outcomes of early treatments conducted under this pathway.

(b) Changes in laws and regulations

Reset's and LGP's operations are subject to various laws, regulations and guidelines in Australia and territories the Company proposes to operate, including laws and regulations relating to health and safety, conduct of operations and the production, management, transportation, storage and disposal of products and of certain material used in operations.

Compliance with these laws and regulations requires compliance with complex Commonwealth, State and local laws. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that Reset or LGP is not in compliance with these laws and regulations could harm the Company's brand image and business.

Changes to these laws or regulations could negatively affect the Company's competitive position within the industry and the markets in which it operates, and there is no assurance that various levels of government in the jurisdictions in which the Company operates will not pass legislation or regulation that adversely impacts the business.

The effect of the administration, application and enforcement of the regimes established on the business in Australia and overseas, or the administration, application and enforcement of the laws of other countries by the appropriate regulators in those countries, may significantly delay or impact the Company's ability to participate in the global market.

(c) Increase in competition

The psilocybin market in Australia and internationally is a niche and competitive industry. The Company faces competition from other producers and other potential

competitors, some of which have longer operating histories and more financial resources and manufacturing and marketing experience.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(d) **Public sentiment and actions of others; moral hazard**

The success of the Company is also dependent on public sentiment towards psilocybin. Unforeseen issues, accidents or events involving psilocybin, even products not produced by the Company, which, for example, lead to injury or death could adversely impact the Company's future earnings and growth prospects.

There is also a risk that the actions of other producers or of other companies and service providers in the psilocybin industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the Company's reputation. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share negative opinions and views in regards to the Company's activities and the psilocybin industry in general, whether true or not. The Company does not ultimately have direct control over how Reset or the psilocybin industry is perceived by others. Reputational issues may result in decreased investor confidence, increased challenges in developing and maintaining community relations and present an impediment to the Company's overall ability to advance its business strategy and realise its growth prospects.

Third parties with whom the Company does business, or with whom the Company may seek to do business in the future, may perceive that they are exposed to reputational risk as a result of the Company's business activities relating to psilocybin, which could hinder Reset's ability to establish or maintain business relationships.

(e) **Acceptance of the efficacy of psilocybin**

Research in regarding the medical benefits, viability, safety, efficacy and dosing of psilocybin remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements contained in the articles, reports and studies referenced in this Prospectus, or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to psilocybin, which could adversely affect social acceptance of psilocybin, including acceptance by the medical community, and the demand for the Company's business.

4.3 **General risks**

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

(b) **Economic risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, including, but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

(c) **Dilution**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

(d) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover or insurers may decline to continue to insure psilocybin operations or reduce available coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(e) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners, regulators or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no

material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(f) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company or LGP under the ESSA. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company or LGP);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(g) **Broader general risks**

There are also a number of broader general risks which may impact the Company's performance. These include:

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- (ii) higher than budgeted costs associated with the provision of service offerings.

(h) **Currency risk**

The Company may operate in multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations, which may affect future profitability of the Company.

(i) **Taxation risk**

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. There is a risk that the acquisition or disposal of Shares pursuant to the Offers may have adverse tax consequences on individual investors depending on these circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares.

(j) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(k) **Climate change**

The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(l) **Infectious disease**

The outbreak of coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic.

Any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations.

4.4 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

5. Financial information

The Independent Limited Assurance Report contained in Annexure A sets out:

- (a) the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the period from incorporation to 31 December 2021 and year ended 31 December 2022;
- (b) the reviewed historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the half-year ended 30 June 2023 (and comparatives for the half-year ended 30 June 2022); and
- (c) the reviewed historical Statement of Financial Position as at 30 June 2023,

(collectively, the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus.

The Investigating Accountant has prepared an Independent Limited Assurance Report and a copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A. Investors are urged to read the Independent Limited Assurance Report in full.

5.1 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

6. Australian tax considerations

This Section 6 provides a general overview of the Australian income tax, GST and stamp duty consequences for investors who acquire Shares pursuant to the Offers. The comments in this Section 6 are based on the Australian taxation laws (including established interpretations of those laws) as at the Prospectus Date, which may change.

This Section 6 is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws. It should be noted that the Australian taxation laws are complex and the investor's own circumstances will affect the taxation outcomes of making an investment in Shares pursuant to the Offers. It is therefore recommended that investors seek independent professional advice, having regard to their own specific circumstances, in considering an investment in Shares pursuant to the Offers.

The categories of investors considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships, each of whom holds their shares on capital account.

This summary does not consider the consequences for investors who are insurance companies, banks, investors that hold their shares (or entitlements) on revenue account or as traditional securities, carry on a business of trading in shares, investors who acquired shares in connection with an employee share scheme, or investors who are exempt from Australian tax. This summary also does not cover the consequences for investors who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements or TOFA regime). Both resident and non-resident investors should seek professional advice to determine if Shares are held in this capacity (and the corresponding income tax implications should this apply). All Shareholders are advised to seek independent professional advice regarding the acquisition of their Shares, having regard to their own specific circumstances.

Taxation issues, such as those covered by this Section 6, are only some of the matters you need to consider when making a decision about a financial product. Prospective investors should consider taking advice from someone who holds an AFSL before making such a decision.

6.1 Entitlements under the Priority Offer

Having an entitlement to subscribe for Shares under the Priority Offer should not, in and of itself, generally result in any amount being included in assessable income.

Shareholders who acquire Shares under the Priority Offer will generally acquire those Shares with a cost base for CGT purposes equal to the Offer Price paid by them for those Shares plus any non-deductible incidental costs incurred in acquiring them. The Shares acquired under the Priority Offer should generally be taken to have been acquired on the day the entitlements were exercised for CGT purposes (exercise of the entitlement for CGT purposes should generally occur when a Shareholder makes an application under the Priority Offer).

Shareholders should not generally make a capital gain or loss, or derive assessable income, from taking up their entitlement to participate in the Priority Offer or subscribing for Shares.

Shareholders who do not take up all or part of their entitlement to participate in the Priority Offer generally should not make a capital gain or loss, or derive assessable income, from non-participation in the Priority Offer as no separate consideration is to be received by them in this circumstance.

Certain Australian income tax, GST and stamp duty implications of acquiring and holding Shares are discussed in further detail in the following sections of Section 6.

6.2 **Taxation of Share disposals – Australian tax resident**

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the CGT provisions in respect of the disposal of their Shares.

Where the capital proceeds received on the disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will derive a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, amongst other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from the Company, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are aggregated. To the extent that a net gain exists, such Shareholders should be able to reduce the net gain by any amount of unapplied net capital losses or revenue losses carried forward from previous income years (provided the relevant loss recoupment tests are satisfied) or current year revenue or capital losses. Any remaining net gain (after the application of any carried forward tax losses or current year revenue losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to comments below in relation to the availability of the CGT discount concession) and taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss should only be deductible against capital gains and are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is generally available where the Shares have been held for tax purposes for 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder (including generally where a flow through trust or partnership distributes to such shareholders), after offsetting any current or carried forward losses. The concession is not available to corporate Shareholders (including those deemed to be companies).

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

For completeness, Australian tax resident Shareholders who trade in Shares as part of the ordinary course of their business are likely to be considered to hold their shares on revenue account. Such Shareholders would be required to include the taxable profit arising from their disposal of their Shares in their assessable income. Conversely, a loss arising from the disposal of their Shares on revenue account may be allowed as a deduction from assessable income. However, Australian tax resident investors who hold Shares on revenue account should seek separate independent professional advice.

6.3 Taxation of Share disposals – non-Australian tax residents

Non-Australian tax resident Shareholders who hold their Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Shares except in limited circumstances, for example where the Shares relate to a business carried on by the foreign resident Shareholder through a permanent establishment in Australia (as defined) or where the Shares amount to “indirect Australian real property interests”.

Non-Australian resident investors who hold Shares on capital or revenue account should seek separate independent professional advice.

6.4 Non-resident CGT withholding

Rules can apply to the disposal of certain taxable Australian property, whereby a 12.5% non-final withholding tax may be applied. However, the rules should not apply to the disposal of a Share on the ASX (in accordance with a specific exemption).

6.5 Tax File Number (TFN) and Australian Business Number (ABN)

An Australian tax resident Shareholder is not obliged to quote a TFN, or where relevant, ABN, to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by the Company at the highest marginal rate (currently 45% plus Medicare levy of 2%) from certain dividends paid. Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their Australian income tax returns.

No withholding requirement applies in respect of fully franked dividends paid in respect of the Shares or to unfranked dividends paid to non-Australian tax resident Shareholders.

6.6 Stamp duty

Stamp duty should not be payable in respect of a Shareholder’s initial investment in the Company pursuant to the Offer, provided no Shareholder obtains a 50% or greater interest in the Company either by themselves or together with associated/related persons (assuming that the Company is not listed and the shares are not quoted at the time that the Shares are issued pursuant to the Offer). Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided the Company remains listed on the ASX and its shares remain quoted at that time (and provided the acquisition is less than 90% of the Shares in the Company).

Stamp duty should not be payable in respect of the disposal of Shares.

6.7 Goods and services tax (GST)

GST is not applicable to the acquisition or disposal of Shares. The ability of Shareholders to recover any GST incurred as an input tax credit in relation to costs associated with the Offers (such as costs relating to professional advice obtained by Shareholders regarding the Offers) would vary according to individual circumstances and as such this should be reviewed by Shareholders prior to making any claim.

No GST should be payable by Shareholders on receiving dividends (or other distributions) paid by the Company.

7. Board, management and corporate governance

7.1 Board of Directors

As at the Prospectus Date, the Board comprises of:

- (a) Honourable Cheryl Edwardes AM – Independent Non-Executive Director and Chairperson;
- (b) Angus Caithness – Executive Director;
- (c) Shaun Duffy – Non-Executive Director; and
- (d) Dr Leon Warne – Alternate Director to Shaun Duffy.

7.2 Directors' profiles

The names and details of the Directors in office at the Prospectus Date are:

(a) **Honourable Cheryl Edwardes AM – Independent Non-Executive Director and Chairperson**

Cheryl is a highly credentialled and experienced company director and Chairperson. A solicitor by profession and a former Minister in the Court Government of Western Australia, she has extensive experience and knowledge of WA's legal and regulatory framework. During her political career, Ms Edwardes held positions that included WA Attorney General, Minister for the Environment, and Minister for Labour Relations.

She currently serves as the Non-Executive Chair of Red Hawk Mining Limited (ASX: RHK), Nuheara Ltd (ASX: NUH), Westgold Resources Ltd (ASX: WGX), and Port Hedland International Airport. She also works with HHG Legal Group on a part-time basis, focusing on pro bono work and the development of the firm's charitable arm, HHG Giving Back.

Ms Edwardes was a director of Kalium Lakes Limited (Receivers and Managers Appointed) (Administrators Appointed) (ASX: KLL) when receivers and administrators were appointed to the company on 3 August 2023.

Ms Edwardes has been awarded an Order of Australia in the Queen's Birthday Honours 2016 for "significant service to the people and Parliament of Western Australia, to the law and the environment, and through executive roles with business, education and community organisations." She was also named in the 100 Women of Influence 2016, inducted into the Western Australian Women's Hall of Fame 2016 and was a finalist in the Women in Resources Award 2015.

(b) **Angus Caithness – Executive Director**

Angus is an executive director of LGP and an experienced corporate finance executive and consultant in Australia and international markets. Angus was previously an Executive Director at EY in London and Australia specialising in initial public offerings of large cap mining companies. Angus is a Harvard Business School alumnus, a Chartered Accountant, holds a Master of Science and is a fellow of the Financial Services Institute of Australasia.

(c) **Shaun Duffy – Non-Executive Director**

As the founding CEO of Reset, Shaun has overseen the establishment of the Company and its entry into the field of psychedelics including fully licensed and regulatory approved mushroom cultivation and all approvals for Western Australia's first psilocybin based clinical trial.

Shaun is a former Senior Managing Director of FTI Consulting as well as head of that firm's Australian Strategic Communications practice and member of its Australian Leadership Group. Mr Duffy previously provided strategy consultancy and corporate advisory services to Reset Mind Sciences' parent company, Little Green Pharma.

Prior to FTI Consulting, Shaun held roles as the head of investor relations for three ASX listed companies.

Shaun is a Chartered Accountant and holds a Bachelor of Commerce from the University of Western Australia.

(d) **Dr Leon Warne – Alternate Director to Shaun Duffy**

Dr Leon Warne has been appointed as an alternate to Shaun Duffy. See Section 7.4 for Dr Leon Warne's biography.

Each Director has confirmed to the Company that they anticipate being available to perform their respective duties as a Director without constraint having regard to their other commitments.

7.3 **Clinical advisory board**

Reset has appointed a highly credentialed Clinical Advisory Board with an emphasis on expertise in the delivery of psychedelic assisted psychotherapy. The members of the Clinical Advisory Board are as follows:

(a) **Dr Stephen Bright**

Dr Bright is a clinical psychologist and currently Senior Lecturer of Addiction at Edith Cowan University in Western Australia. Dr Bright is also the Vice President and a founding member of PRISM (Psychedelic Research in Science and Medicine), a not-for-profit formed to coordinate and fund research into the therapeutic application of psychedelic drugs. Dr Bright is the Principal Investigator for a clinical trial investigating the use of MDMA to treat PTSD. Dr Bright was initially engaged for a fixed period to the Clinical Advisory Board. While this period has elapsed Dr Bright continues to be engaged by the Company on a continuing basis on the Clinical Advisory Board.

(b) **Renee Harvey**

Ms Harvey is clinical psychologist in private practice in Melbourne, Australia. Ms Harvey has extensive experience in the delivery of psychedelic assisted psychotherapy having previously a member of the patient facing therapy team for the psilocybin based clinical trials conducted by Imperial College, London. Renee Harvey was initially engaged for a fixed period to the Clinical Advisory Board. While this period has elapsed Renee Harvey continues to be engaged by the Company on a continuing basis.

7.4 **Senior Management**

Dr Leon Warne will act in capacity as a Chief Operating Officer and has significant experience in the health sector across clinical, academic, corporate, and start-up settings.

He holds extensive qualifications and expertise in a diverse range of fields including medical sciences, higher education, anaesthesia & pain medicine, pharmaceutical R&D and clinical management.

Leon is a skilled communicator with a proven track record of highly effective stakeholder engagement across the higher education, research, and health sectors.

He is an innovative, forward-thinking leader with a demonstrated reputation for building happy, healthy, and productive teams.

His passion for translating clinical research into meaningful solutions to improve the lives of people suffering from mental illness led Leon to his current role with the Company acting in the capacity of a Chief Operating Officer.

Leon currently is employed by LGP and will provide services under the terms of the PSA until such time as he enters into a formal executive services agreement with Reset.

7.5 **Interests of Directors**

No Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the Prospectus Date, any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; and
- (c) the Offers.

No amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce to become, or to qualify as, a Director; and
- (b) any Director of the Company for services which he (or an entity in which his is a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,

except as disclosed in this Prospectus.

7.6 **Security holdings of Directors and key management personnel**

As at the Prospectus Date, LGP owns 100% of the issued capital of the Company.

Based on the intentions of the Directors and key management personnel as at the Prospectus Date in relation to the Offers, the Directors and key management personnel and their related

entities will have the following interests in Securities (assuming the Minimum Subscription is raised):

	Shaun Duffy	Angus Caithness	The Hon. Cheryl Edwardes AM	Dr Leon Warne
In-specie Distribution ⁽¹⁾	3,557	381,648	Nil	3,598
Director Intentions	250,000	250,000	75,000	Nil
TOTAL ⁽²⁾	253,557	631,648	75,000	3,598
Voting power in Reset	1.27%	3.16%	0.37%	0.02%

Notes:

1. *These Shares represent the anticipated Reset Shares that will be issued pursuant to the In-specie Distribution as at the date of this Notice.*
2. *The Directors reserve the right to subscribe for additional Shares under the Offers, subject to the allocation policy detailed in Section 1.5.*

7.7 Disclosure of Directors and key management personnel

No Director or key management personnel has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director or key management personnel has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12-month period after they ceased to be an officer.

Other than as set out below, Ms Edwardes was a director of Kalium Lakes Limited (Receivers and Managers Appointed) (Administrators Appointed) (ASX: KLL) when receivers and administrators were appointed to the company on 3 August 2023.

7.8 Remuneration of Directors and key management personnel

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$500,000 per annum. The remuneration of the Executive Directors will be determined by the Board.

The Company has entered into an executive services agreement with Angus Caithness as well as letters of appointment with Honourable Cheryl Edwardes AM and Shaun Duffy as set out in Section 8.8.

Since incorporation, the Directors and key management personnel have received the following remuneration (exclusive of superannuation / GST):

Directors and key management personnel	\$
Honourable Cheryl Edwardes AM	\$6,477
Shaun Duffy	\$55,593
Angus Caithness	Nil
Dr Leon Warne	Nil

7.9 Related party transactions

(a) Overview

- (i) The Company has entered into the following related party transactions on arms' length terms:
- (A) the Demerger Implementation Deed (see Section 8.1);
 - (B) the Exclusive Supply and Services Agreement (see Section 8.2);
 - (C) the Professional Services Agreement (see Section 8.3);
 - (D) the Loan Agreement (see Section 8.4);
 - (E) the Partial Underwriting Agreement (see Section 8.7);
 - (F) executive services agreement with Mr Angus Caithness (see Section 8.8);
 - (G) letters of appointment with each of its Non-Executive Directors on standard terms (see Section 8.8);
 - (H) offer letters for the issue of 500,000 Options to Shaun Duffy (or his nominees) and 100,000 Options to Fleeta Solomon (or her nominees); and
 - (I) deeds of indemnity, insurance and access with each of its Directors on standard terms (see Section 8.9).

(b) Spin-Out Agreements

Shaun Duffy and Honourable Cheryl Edwardes AM were principally responsible for negotiating the commercial terms of the Demerger Implementation Deed, Exclusive Supply and Services Agreement, Professional Services Agreement, Loan Agreement and Partial Underwriting Agreement with LGP (**Spin-Out Agreements**). At the time of the negotiations, Mr Duffy was effectively an employee and shareholder of LGP. Ms Edwardes did not have any prior association with LGP, other than in respect to her engagement as a Non-Executive Director of the Company. In order to resolve to enter into the Spin-Out Agreements:

- (i) Mr Duffy, being an employee and shareholder of LGP, disclosed to the Board his personal interest in the Spin-Out Agreements. Ms Edwardes considered that Mr Duffy's interest is not a material personal interest and that his interest should not otherwise disqualify him from voting and being present at Board discussions concerning the Spin-Out Agreements;
- (ii) Mr Caithness, being a director and shareholder of LGP, disclosed to the Board his personal interest in the Spin-Out Agreements and was excluded from Board discussions concerning the Spin-Out Agreements;
- (iii) the quorum (comprising Mr Duffy and Ms Edwardes) sought and obtained independent legal and corporate advice on the Spin-Out Agreements (Quorum); and
- (iv) the Quorum resolved that the Spin-Out Agreements:
 - (A) would be reasonable in the circumstances if the parties were actually dealing at arm's length; and
 - (B) were agreed on terms no more favourable than transaction terms that would have been entered into on an arm's length basis,and therefore agreed to enter into the Spin-Out Agreements.

(c) **Option offers for the issue of Options**

- (i) Shaun Duffy is a Non-Executive Director and is therefore a related party of the Company. Mr Duffy will receive 500,000 Options on the terms set out in Section 9.2. The Board (with Mr Duffy abstaining) formed the view that the 500,000 Options to be issued to Mr Duffy (or his nominees) were reasonable remuneration to Mr Duffy in respect of his services as Chief Executive Officer of the Company for the period from incorporation to his transition to Non-Executive Director on 7 November 2023 and therefore falls within the exception stipulated in section 211 of the Corporations Act; and
- (ii) Fleta Solomon is a related party of the Company as she is a director of LGP, which as at the Prospectus Date controls Reset. Ms Solomon will receive 100,000 Options on the terms set out in Section 9.2. The Board formed the view that the 100,000 Options to be issued to Ms Solomon (or her nominees) were reasonable remuneration based on the work Ms Solomon has undertaken in respect of the Demerger and therefore falls within the exception stipulated in section 211 of the Corporations Act.

At the Prospectus Date, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

8. Material contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offers. The provisions of such material contracts are summarised in this Section.

8.1 Demerger Implementation Deed

To give effect to the Demerger, the Company and LGP entered into the Demerger Implementation Deed. The Demerger Implementation Deed sets out the terms upon which LGP will conduct an equal capital reduction and In-specie Distribution to Eligible LGP Shareholders in accordance with sections 256B and 256C of the Corporations Act. The Demerger Implementation Deed also sets out some of the key restructuring steps and includes a process to coordinate completion under the relevant transaction documents.

The Demerger will only proceed if the conditions precedent to the Demerger Implementation Deed are satisfied or waived (together, the **Conditions Precedent**). The Conditions Precedent are summarised below:

- (a) LGP's board of directors having resolved in writing to proceed with the In-specie Distribution, Demerger and Offers, on or before 5:00pm (AWST) on 31 March 2024 (or such other date agreed to between LGP and Reset) (**Cut-Off Date**);
- (b) satisfaction of all conditions precedent under the:
 - (i) Demerger Implementation Deed;
 - (ii) Exclusive Supply and Services Agreement;
 - (iii) Professional Services Agreement; and
 - (iv) Underwriting Agreement,on or before 5:00pm (AWST) on the Cut-Off Date;
- (c) LGP having obtained LGP Shareholders' approval on or before 5:00pm (AWST) on the Cut-Off Date for the purpose of section 256B and 256C of the Corporations Act for the proposed In-specie Distribution;
- (d) Reset having received valid applications for an amount not less than the Minimum Subscription under the Offers, on or before 5:00pm (AWST) on the Closing Date; and
- (e) Reset having received the landlord's prior written consent under the Shenton Park Lease Agreement to the change in control arising from the Demerger (which has been obtained as at the Prospectus Date).

Assuming that the Conditions Precedent are satisfied, LGP and Reset will proceed to preliminary completion (**Preliminary Completion**), whereby LGP will subscribe and be issued the Reset Shares that will be the subject of the In-specie Distribution and completion steps other than the In-specie Distribution will be effected. Following Preliminary Completion, the In-specie Distribution will be effected by an equal reduction of LGP's capital on a pro rata basis. Eligible

LGP Shareholders will thereby retain direct ownership of LGP and will also receive direct ownership of the Company.

The Demerger Implementation Deed may be terminated in the following circumstances:

- (a) by mutual written agreement;
- (b) if implementation of the Demerger is not effected by the Cut-Off Date; or
- (c) if one party commits a material breach of the Demerger Implementation Deed and fails to remedy that breach within 20 business days after the giving of notice.

8.2 Exclusive Supply and Services Agreement

The Company, LGP and LGP Holdings Pty Ltd (**LGPH**) have entered into an Exclusive Supply and Services Agreement (**ESSA**), pursuant to which LGP has agreed to exclusively:

- (a) import, handle, test and inspect Psychedelic Raw Materials and Psychedelic Products (**Import Services**);
- (b) cultivate, harvest and dry Psychedelics, including granting the Company an exclusive right to use part of LGP's land and facilities to house the Company's mushroom cultivation facility (**Cultivation Services**);
- (c) subject to the exercise of the Manufacturing Services Option (defined below), GMP manufacture and testing of Psychedelic Medicines (**Manufacturing Services**); and
- (d) storage and supply of all Psychedelic Raw Materials and Psychedelic Products in respect of which LGP has provided Import Services, Cultivation Services or Manufacture Services (**Supply Services**).

The ESSA is for a term of 3 years commencing on the date Reset ceases to be a wholly owned subsidiary of LGP (unless terminated earlier).

(a) Licence to use LGP land and premises

Pursuant to the ESSA, LGP has granted Reset the exclusive right to, amongst other things, use a specified area of LGP's premises and to install and construct its facilities (including the Company's mushroom cultivation facility).

In consideration for the grant of the licence, Reset must pay the following fees each calendar month:

- (i) a fee of \$1,000 in respect of the use of the land and premises;
- (ii) a fee of \$8,300 in respect of the use of the manufacturing area; and
- (iii) a fixed fee of \$300 for outgoings in connection with (amongst other things) the use of the land.

(b) Import Services

LGP is required to provide the Importation Services in respect of the Initial Psilocybin Products.

Reset may during the term require LGP to import additional specified Psychedelic Products subject to the receipt of all necessary approvals. A 30% margin will apply for services in relation to obtaining approvals for these additional specified Psychedelic Products.

Reset must pay for all costs (including, without limitation, salary or fees payable to any employee or person engaged by LGP to carry out any part of the services) incurred by LGP in the provision of the Import Services, plus a 30% margin.

(c) **Cultivation Services**

LGP is required to provide the Cultivation Services in respect of the Initial Psilocybin Raw Materials.

Reset may during the term require LGP to provide Cultivation Services in respect of Psychedelics other than the Initial Psilocybin Raw Materials provided, amongst other things, the proposed activities do not materially interfere with LGP's operations. Reset must pay the costs for:

- (i) any additional plant or equipment required for the cultivation of the new Psychedelics other than the Initial Psilocybin Raw Materials; and
- (ii) all necessary approvals required for the cultivation of the new Psychedelics, including a margin of 30% for services in relation to obtaining the approvals.

Reset has the ability to expand its facilities at LGP's premises provided that, amongst other things, the expansion does not interfere with LGP's operations, the costs of the expansion will be borne by Reset and if any approvals are required, Reset must pay the costs of such approvals including a margin of 30% for services in relation to obtaining the approvals.

Reset must pay for all costs (including, without limitation, salary or fees payable to any employee or person engaged by LGP Ltd to carry out any part of the services) incurred by LGP in the provision of the Cultivation Services, plus a 30% margin.

(d) **Manufacturing Services**

LGP has no obligation to provide the Manufacturing Services unless and until Reset notifies LGP in writing to do so (**Manufacturing Services Option**) and, in any event, within 1 year of the Demerger. If Reset fails to exercise the Manufacturing Services Option within 1 year of the Demerger, then LGP has no obligation to provide the Manufacturing Services to the Company.

In exercising the Manufacturing Services Option, Reset must demonstrate to LGP that it has used best endeavours to seek the necessary approvals to undertake services equivalent to the Manufacturing Services and has been unable to do so due to security or regulatory requirements.

Should Reset exercise the Manufacturing Services Option, for certain products LGP is only required to provide the Manufacturing Services if it obtains the necessary approvals. If it fails to obtain the approvals twelve months after exercise of the Manufacturing Services Option, having used all reasonable endeavours, it is not required to provide the Manufacturing Services in respect of those products.

Subject to the valid exercise of the Manufacturing Services Option, LGP is only required to provide Manufacturing Services in respect of the Initial Psilocybin Products.

Subject to agreement of the parties, LGP may provide Manufacturing Services in respect of new psilocybin GMP medicines or new Psychedelic Medicines other than the Initial Psilocybin Products provided that, amongst other things:

- (i) the proposed activities do not interfere with LGP's operations;
- (ii) the costs of any additional plant or equipment required for the manufacture of the new psilocybin GMP medicines or new Psychedelic Medicines will be borne by Reset; and
- (iii) the costs of all necessary approvals required for the manufacture of the new psilocybin GMP medicines or new Psychedelic Medicines, including a margin of 30% for services in relation to obtaining the approvals, will be borne by Reset.

Reset must pay for all costs (including, without limitation, salary or fees payable to any employee or person engaged by LGP to carry out any part of the services) incurred by LGP in the provision of the Manufacture Services, plus a 30% margin.

(e) **Supply Services**

The Supply Services relate to the storage and supply as directed by Reset of Psychedelic Raw Materials and Psychedelic Products.

If any approvals are required for the provision of the Supply Services, then Reset must pay the costs of such approvals, including a margin of 30% for services in relation to obtaining the approvals.

Reset must pay for all costs (including, without limitation, salary or fees payable to any employee or person engaged by LGP to carry out any part of the services) incurred by LGP in the provision of the Supply Services, plus a 30% margin.

(f) **Secondees**

During the term of the ESSA, LGP will permit the Company to second Reset secondees to operate the Company's facilities at LGP's premises (including the mushroom cultivation facility) and to support cultivation and manufacturing operations in each case to the extent permitted by the Psilocybin Approvals.

(g) **"Disposal" or "Shutter" Option**

If at any time during the term of the ESSA, LGP elects to:

- (i) suspend for a period of 60 days or permanently shutter all of its operations at its GMP licenced manufacturing facilities; or
- (ii) sell, lease or otherwise dispose to a third party of the manufacturing facilities,

then LGP may exercise the "Shutter Option" or "Dispose Option", in the circumstances detailed below.

If LGP exercises the Shutter Option, Reset will have the option to commercially lease LGP's premises for a period of 12 months at a commercial rental and the term of the ESSA remains unaffected.

If LGP exercises the Dispose Option, then the ESSA automatically terminates 90 days after LGP exercises the Dispose Option.

(h) **Mutual exclusivity**

Under the ESSA, LGP is prohibited from researching, importing, cultivating, manufacturing, selling, licensing, supplying or otherwise dealing with Psychedelics to any person other than the Company during the 3-year term, and the Company is prohibited from researching, importing, cultivating, manufacturing, selling, licensing, supplying or otherwise dealing with cannabis products to any person without LGP's consent during the term.

(i) **Termination**

The ESSA may be terminated by either party if:

- (i) a party to the ESSA breaches any of its obligations under the ESSA and fails to remedy that breach within 10 business days of notice;
- (ii) a party to the ESSA breaches any of its obligations under the ESSA and the breach cannot be remedied;
- (iii) an insolvency event occurs in respect of a party; or
- (iv) a material adverse change cannot be resolved within 30 days or continues for a period of 120 days.

Reset may terminate the ESSA without cause by giving 60 days written notice.

8.3 **Professional Services Agreement**

To assist the Company manage its business and compliance obligations while it grows during the post-Demerger period, LGP and the Company have entered into a professional services agreement (**Professional Services Agreement**) under which each of LGP and the Company have mutually agreed to provide (or procure the provision of) professional services and goods as requested by the other for a 3-year period post Demerger on a reasonable endeavours basis.

The services to be provided include business development and internal legal functions, technical support, marketing and any other agreed services. Each Party has agreed to reimburse the other on a costs plus basis for its actual costs for the provision of such services or goods, plus a margin of 30% unless otherwise agreed. Each Party has also agreed to reimburse the other for any third-party costs or expenses that it reasonably incurs in providing these services or goods.

The Professional Services Agreement may be terminated:

- (a) by either party if (amongst other things) a party is in breach of a material term of the Professional Services Agreement and fails to remedy the breach within 10 business days after the giving of notice; or

- (b) for convenience by either party on the giving of 30 days written notice (or 90 days written notice if there is an ongoing service being provided).

8.4 Loan Agreement

Reset and LGP have entered into a loan agreement pursuant to which Reset has agreed to repay costs borne by LGP to date in the establishment and operations of Reset, as well as the costs of the Offers. The Company has accrued a loan amount to LGP which is estimated to be up to \$2,250,000 at the completion of the Offers.

The material terms and conditions of the Loan Agreement are summarised below:

- (a) **(Loan Amount):** up to \$2,250,000 as an intercompany debt, which crystallises on Preliminary Completion.
- (b) **(Interest):** 10% per annum. Interest on the principal outstanding accrues each day. Accrued interest on the principal outstanding will be automatically capitalised in arrears and added to, and be deemed to be part of, the principal outstanding on each anniversary of the deemed draw down date, being Preliminary Completion.
- (c) **(Default Interest):** 12% per annum. Default interest (if unpaid) arising on an overdue amount will not capitalise or compound with the overdue amount but will remain immediately due and payable.
- (d) **(Maturity Date):** 36 months from Preliminary Completion.
- (e) **(Conversion):** If, following the Maturity Date, Reset fails to repay the funds owing under the Loan Agreement, then the loan capitalises 5 business days after the Maturity Date (**Conversion Date**), and Reset must issue LGP the relevant number of Shares based on the following formula (**Conversion Shares**):

$$A = \frac{B}{C}$$

where:

- A = the number of Conversion Shares to be issued.
- B = the outstanding loan.
- C = the Conversion Price (defined below).

- (f) **(Conversion Price):** The Conversion Price will be the lesser of:
 - (i) the Offer Price under this Prospectus (being \$0.20); and
 - (ii) the issue price from a capital raising other than the Offers where the Company raises gross proceeds of at least \$1,000,000.
- (g) **(Shareholder Approval):** To the extent that the Corporations Act prohibits the issue of some or all of the Conversion Shares to LGP, the issue of the Conversion Shares will be deferred until such time or times that Reset obtains all necessary approvals from its members and any regulatory body for the issue of the Conversion Shares. If

Shareholder approval is not obtained within 90 days of the Conversion Date (**Conversion End Date**) Reset must:

- (i) issue the maximum number of Conversion Shares which would not result in a breach of the Corporations Act;
 - (ii) pay to LGP the outstanding loan (less the value of any Conversion Shares at the Conversion Price issued under 8.4(g)(i)), including Default Interest on outstanding loan for the period from the Maturity Date until repayment.
- (h) (**Cash sweep**): At Preliminary Completion, LGP will be entitled to undertake a cash sweep to the amount standing to the credit in Reset's bank account.
- (i) (**Security**): The loan is unsecured.

8.5 HIF Strategic Alliance Agreement

Reset and Health Insurance Fund of Australia Limited (**HIF**) have entered into a strategic alliance agreement on 1 April 2023 (**HIF Strategic Alliance Agreement**), pursuant to which the parties will:

- (a) establish an initial proof-of-concept clinic providing psilocybin assisted psychotherapy services at a Company established, owned and operated clinic (**Initial Clinic**); and
- (b) during the Exclusivity Period, negotiate the terms on which the parties may potentially enter into a future psychedelic clinics business (**Clinic Business**).

Initial Clinic

Within 12 months of the HIF Strategic Alliance Agreement (or such longer period as the parties may agree), Reset must establish a licenced proof-of concept clinic providing psilocybin therapeutic treatments to eligible patients. HIF has made a non-refundable cash payment of \$250,000 to Reset for the establishment and operation of the Initial Clinic.

At the Initial Clinic, an external consultant (appointed by the parties) will undertake a Human Research Ethics Committee approved observational study into the health and economic benefits of the treatment of patients with treatment-resistant depression with psilocybin assisted psychotherapy (**Health Economics Study**). The Health Economic Study will document real world evidence from treatments at the Initial Clinic.

Subject to the Initial Clinic being established:

- (a) Reset will (amongst other things):
 - (i) procure all necessary licences and all psilocybin products to operate the Initial Clinic;
 - (ii) undertake the Health Economics Study at the Initial Clinic; and
 - (iii) provide up to 100 HIF members with priority assessment (**Priority Assessment Patients**) for participation under the Health Economics Study.

- (b) HIF will:
 - (i) use reasonable endeavours to procure a reasonable pre-screening of any Priority Assessment Patients prior to such candidates being referred to the Initial Clinic; and
 - (ii) use best endeavours to develop a private health insurance product in relation to psychedelic assisted psychotherapy based on the results of the Health Economic Study and provide a coverage package to eligible HIF members at the Initial Clinic (subject to private health insurance legislation).

Reset will have operational control of the Initial Clinic, including setting treatment prices and recruiting therapists.

Reset has also agreed to procure a perpetual, non-exclusive, royalty free licence to HIF to use the intellectual property from the Health Economic Study as it sees fit.

The parties are also subject to certain exclusivity obligations which are considered standard for an agreement of this nature.

Clinic Business

During the Exclusivity Period, the parties will use best endeavours to negotiate the terms of a potential Clinic Business whereby the parties will own and operate one or more clinics offering psychedelic assisted psychotherapy treatments to patients in Australia.

The HIF Strategic Alliance Agreement may be terminated by either party immediately if a party commits a breach of the HIF Strategic Alliance Agreement, and the defaulting party fails to remedy that breach within five business days of receiving written notice from the non-defaulting party. If the breach cannot be remedied within the five business day period following the receipt of notice in writing, the defaulting party may provide the non-defaulting with a written 'cure plan' describing how it will cure the breach. If the defaulting party fails to cure the breach in accordance with the proposed cure plan, the non-defaulting party may terminate the HIF Strategic Alliance Agreement immediately.

8.6 **Shenton Park Lease Agreement**

The Company has entered into a commercial lease agreement with Ularring Pty Ltd for the lease of a commercial premises in Shenton Park. The leased premises is a unique property that incorporates office, clinic and GMP manufacturing facilities for the Company's psilocybin production activities.

The material terms and conditions of the Shenton Park Lease Agreement are summarised below:

- (a) **(Term):** The Shenton Park Lease Agreement is for an initial period of five (5) years commencing 1 July 2023.
- (b) **(Option to renew):** The Shenton Park Lease Agreement provides an option for a further five (5) year term commencing on 1 July 2028.
- (c) **(Deposit):** The Company has paid a deposit of \$45,004 which will be applied to the rent and outgoings payable under the Shenton Park Lease Agreement.

- (d) **(Rent)**: The annual rent is \$200,000 (plus GST), payable monthly in advance in instalments of \$16,666.67 (plus GST).
- (e) **(Security)**: The Company has provided a bank guarantee in the amount of three months rent and outgoings (plus GST).
- (f) **(Fitout costs)**: The Company is required to pay all costs associated with the fitout of the premises. The landlord of the premises has agreed to pay a lease incentive in the form of a fitout contribution in the amount of \$100,000, which is to be applied towards the costs of carrying out and completing the fitout works (**Fitout Contribution**). The Fitout Contribution is a conditional liquidated debt owing by the Company which is payable on demand but is not payable unless the landlord terminates the lease during the initial Term as a consequences of the Company's repudiation, breach or default of its obligations under the Shenton Park Lease Agreement.

As at the Prospectus Date, and in accordance with the terms of the Shenton Park Lease Agreement, the Company has obtained the lessor's consent to the change in control arising from the Demerger.

8.7 Partial Underwriting Agreement

The Company and LGP have entered into a partial underwriting agreement (**Partial Underwriting Agreement**) pursuant to which LGP has agreed to underwrite:

- (a) the Offers; and
- (b) any new Shares not capable of being distributed pursuant to the In-specie Distribution (which is expected to be approximately \$7,500),

up to the Underwritten Amount.

There are no fees payable by the Company to the Underwriter.

The Underwriter's obligations to partially underwrite the Offers will cease if the Offers are withdrawn for any reason. There are no other termination events.

8.8 Executive Services Agreements and Letters of Appointment

(a) Executive Director Services Agreement – Angus Caithness

The Company has entered into an executive services agreement with Mr Caithness, pursuant to which Mr Caithness was appointed as Executive Director.

Pursuant to the agreement, Mr Caithness is entitled to receive \$54,000 per annum (excluding statutory superannuation).

The Board may, in its absolute discretion invite Mr Caithness to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act.

The agreement is for an indefinite term, continuing until terminated by either the Company or Mr Caithness giving not less than three months written notice of termination to the other party (or shorter period in limited circumstances).

Mr Caithness is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of six months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

In addition, the agreement contains additional provisions considered standard for agreements of this nature.

(b) **Non-Executive Director Letter of Appointment – Honourable Cheryl Edwardes AM**

The Company has entered into a non-executive director letter of appointment with Ms Edwardes pursuant to which the Company has agreed to pay Ms Edwardes, \$25,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

The agreement contains additional provisions considered standard for agreements of this nature.

(c) **Non-Executive Director Letter of Appointment –Shaun Duffy**

The Company has entered into a non-executive director letter of appointment with Mr Duffy pursuant to which the Company has agreed to pay Mr Duffy, \$25,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

In addition, the Company has agreed to issue to 500,000 Options on the terms and conditions set out in Section 10.2.

The agreement contains additional provisions considered standard for agreements of this nature.

8.9 **Deeds of indemnity, insurance and access**

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

9. Additional information

9.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the Prospectus Date, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

9.2 Terms and conditions of Options

The terms and conditions of the Options are set out below:

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Option entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
- (b) **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.
- (c) **(Exercise Price):** The Options have an exercise price of \$0.30 each.
- (d) **(Expiry Date):** The Options expire at 5:00pm (AWST) three years from the date of issue. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Notice of Exercise):** The Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:
 - (i) in whole or in part, and if exercised in part, a minimum of \$1,000 worth of Options must be exercised on each occasion;
 - (ii) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
 - (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

The Optionholder may not exercise the Options (and the Company is not required to issue Shares upon such exercise) if it would be unlawful to do so.

- (f) **(Timing of issue of Shares and quotation of Shares on exercise)**: As soon as practicable after the valid exercise of an Option by the Optionholder, the Company will:
- (i) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled; and
 - (ii) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

- (g) **(Options not transferrable)**: The Options will not be transferable without the prior written approval of the Board.
- (h) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (i) **(Adjustment for bonus issues of Shares)**: If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (j) **(Adjustment for entitlement issue)**: If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will not be adjusted following an entitlement offer.
- (k) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the ASX Listing Rules, notwithstanding that the ASX Listing Rules may not be applicable to the Company at the time of the reorganisation.
- (l) **(Return of capital rights)**: The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (m) **(Rights on winding up)**: The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (Dividend and voting rights)**: The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

- (n) **(Takeovers prohibition):**
- (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (o) **(Constitution)** Upon the issue of the Shares on exercise of the Options, the holder will be bound by the Company's Constitution.

9.3 Substantial Shareholders

The Company is presently a wholly-owned subsidiary of LGP and therefore LGP holds 100% of the issued capital of the Company.

LGP is currently acting as Underwriter to Reset in respect of the Underwritten Amount and is also party to the Loan Agreement. Information on LGP's potential voting power in the Company on completion of the Offers is set out in Section 1.4.

Based on the information known as at the Prospectus Date, on completion of the Demerger, In-specie Distribution and Offers, the following person will have an interest in 5% or more of the Shares on issue:

Reset substantial Shareholder	Number of Reset Shares ⁽¹⁾	Voting power ⁽²⁾
Tiga Trading Pty Ltd	1,110,413	5.6%

Notes:

1. Assuming a demerger ratio of 1 Reset Share for approximately every 30 LGP Shares held on the In-specie Record Date).
2. Assumes Minimum Subscription is satisfied, no Oversubscriptions are received and that no substantial shareholder intends to participate in the Offers.

9.4 Interests of Promoters, Experts and Advisers

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no:

- (i) persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
 - (ii) promoter of the Company;
- holds at the Prospectus Date, or has held at any time during the last 2 years, any interest in:
- (iii) the formation or promotion of the Company;

- (iv) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (v) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) **Share Registry**

Automic Pty Ltd (**Automic**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid \$27,500 for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, Automic Pty Ltd has not provided any services to the Company.

(c) **Auditor**

BDO Audit (WA) Pty Ltd (**BDO**) has been appointed to act as Auditor to the Company. The Company estimates it will pay BDO approximately \$10,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, \$42,745 has been paid to BDO for audit services to the Company.

(d) **Corporate Lawyers**

Hamilton Locke has acted as the Corporate Lawyers to the Company in relation to the Offers. The Company estimates it will pay Hamilton Locke \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, Hamilton Locke has provided legal services to the Company, the total value of these services was approximately \$48,000 (excluding GST). These services were in respect of the Company's general corporate matters.

(e) **Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd (**BDO CF**) has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A of this Prospectus. The Company estimates it will pay BDO CF a total of \$19,107 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, BDO CF has not provided services to the Company.

9.5 Consents

- (a) Each of the parties referred to below:
- (i) do not make the Offers;
 - (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
 - (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
 - (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.
- (b) **Share Registry**
- Automic has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.
- (c) **Auditor**
- BDO has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Auditor of the Company in the form and context in which it is named.
- (d) **Corporate Lawyers**
- Hamilton Locke has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Corporate Lawyers to the Company in the form and context in which it is named.
- (e) **Investigating Accountant**
- BDO CF has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

9.6 Estimated expenses of Offers

The estimated expenses of the Offers (exclusive of GST) payable are:

	A\$
ASIC lodgement fee	3,200
Legal fees	80,000
Audit fees	10,000
Investigating Accountant fees	19,107
Printing, postage and administration fees	27,500
Total	139,807

9.7 Continuous Disclosure Obligations

Following completion of the Offers, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies).

9.8 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

9.9 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Board reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

9.10 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 9.5 of this Prospectus.

9.11 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Annexure A, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

10. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director (including, for the avoidance of doubt, each of the Proposed Directors) has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in grey ink, appearing to read 'Cheryl Edwardes'.

Honourable Cheryl Edwardes AM
Independent Non-Executive Director and Chairperson
Reset Mind Sciences Limited

Dated: 9 November 2023

11. Glossary of terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or \$	means Australian dollars.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares pursuant to this Prospectus.
Application Form	means the application form attached to this Prospectus relating to the Offers (including the electronic form provided by an online application facility).
Application Monies	means the amount of money submitted or made available by an Applicant in connection with an Application.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.
Auditor or BDO	means BDO Audit (WA) Pty Ltd (ACN 112 284 787).
AWST	means Western Standard Time, being the time in Perth, Western Australia.
Board	means the board of Directors of the Company as at the Prospectus Date.
Capital Raising	means the raising of funds under the Offers.
Chair's List Offer	has the meaning given in Section 1.5(c).
Clinic Business	has the meaning given in Section 8.5.
Closing Dates	means the closing dates of the Offers.
Company or Reset	means Reset Mind Sciences Limited (ACN 650 593 598).
Completion	means the date on which the Shares are issued and transferred to Applicants in accordance with the terms of the Offers.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
CPIRs	means the <i>Customs (Prohibited Imports) Regulations 1956</i> (Cth).
CTA	means the Clinical Trials Approval.

CTN	means the Clinical Trials Notification.
Cultivation and Supply Services	has the meaning in Section 8.2.
Decision	has the meaning in Section 4.1(a).
Demerger	means the: (a) transfer of the Spin-Out Assets to Reset; (b) transfer of the Subscription Shares to LGP; and (c) completion by LGP of the In-specie Distribution.
DID or Demerger Implementation Deed	means the demerger implementation deed entered into between Reset and LGP dated 9 November 2023.
Director Intention	has the meaning given in Section 1.2.
Directors	means the directors of the Company from time to time.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website www.resetmind.com.au .
Eligible LGP Shareholder	means a person registered as the holder of shares in LGP on either or both the In-specie Record Date and Priority Offer Record Date (as the context requires), whose registered address is in Australia or subject to the restrictions in Sections 1.15 and 1.16, certain residents in the United Kingdom and Switzerland.
Entitlement	means the number of Shares an Eligible LGP Shareholder is entitled to subscribe for under the Priority Offer.
ESSA or Exclusive Supply and Services Agreement	has the meaning in Section 8.2.
ESIP	means employee securities incentive plan.
Exclusivity Period	means the period beginning on 1 April 2023 and ending on the earlier of: <ul style="list-style-type: none"> (a) 18 months from date of first treatment of a HIF member at the Initial Clinic; (b) 31 December 2024; and (c) the date the parties enter into a binding transaction agreement in respect of the Clinic Business.
Expiry Date	means 13 months after the Prospectus Date.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.
Financial Information	has the meaning given in Section 5.
Fitout Contribution	has the meaning given in Section 8.6.

Funding Condition	has the meaning given in Section 1.7.
GMP	means the good manufacturing practices required by the Australian Government's Therapeutic Goods (Manufacturing Principles) Determination, and all other guidelines and regulations specified by the Australian Government and the Therapeutic Goods Administration.
Health Economics Study	has the meaning given in Section 8.5.
HIF	means Health Insurance Fund of Australia Limited.
HIF Strategic Alliance Agreement	means the strategic alliance agreement between the Company and HIF, a summary of which is in Section 8.5.
HREC	means a human research ethics committee.
Indicative Timetable	means the indicative timetable for the Offers on page 9 of this Prospectus.
Initial Clinic	has the meaning given in Section 8.5.
Initial Psilocybin Raw Materials	means psilocybin spores and dried mushrooms containing psilocybin.
In-specie Distribution	means, in relation to the Demerger, the issue of up to approximately 10,000,000 Shares in the Company to Eligible LGP Shareholders, on the basis of 1 Reset Share for every 30 LGP Shares held on the In-specie Record Date.
In-specie Record Date	means 5:00pm (AWST) on 15 December 2023.
In-specie Shares	means approximately 10,000,000 Shares to be distributed under the In-specie Distribution.
Import Services	has the meaning in Section 8.2.
Investigating Accountant or BDO CF	means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
Issue Date	means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
LGP	means Little Green Pharma Ltd (ACN 615 586 215).
LGPH	means LGP Holdings Pty Ltd (ACN 649 390 778).
LGP Share	means a share or shares in LGP.
LGP Shareholder	means the holder of a share or shares in LGP.
Listing Rules	means the listing rules of ASX.
Loan Agreement	has the meaning given in Section 8.4.

Manufacturing Services	has the meaning in Section 8.2.
MDMA	means 3,4-Methylenedioxyamphetamine.
MP Act	means the <i>Medicines and Poisons Act 2014 (WA)</i> .
ODC	means the Office of Drug Control.
Offer Price	means \$0.20 per Share.
Offers	means either or collectively the Priority Offer, Chair's List Offer and Public Offer (as the context requires).
Opening Date	means the date specified as the opening date in the Indicative Timetable.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
PAP	means psychedelic assisted psychotherapy.
Partial Underwriting Agreement	has the meaning given in Section 8.7.
Preliminary Completion	has the meaning given in Section 8.1.
Priority Assessment Patients	has the meaning given in Section 8.5.
Priority Offer	means, in relation to the Offers, a priority offer to Eligible LGP Shareholders to subscribe for up to 5,000,000 Shares in the Company.
Priority Offer Application Form	means the application form relating to the Priority Offer to be made available by the Company.
Priority Offer Record Date	means 5:00pm (AWST) on 9 November 2023.
Professional Services Agreement	has the meaning given in Section 8.3.
Prospectus	means this prospectus dated 9 November 2023.
Prospectus Date	means the date on which a copy of this Prospectus was lodged with ASIC, being 9 November 2023.
Psilocybin	means 3-[2-(Dimethylamino)ethyl]-1H-indol-4-yl dihydrogen phosphate.
Psilocybin Approvals	means all approvals whatsoever required to produce and supply Psilocybin GMP medicines, including those required to operate the mushroom cultivation facility and the LGP production facilities and store and transport such medicines.
Psychedelics APIs	means any Psychedelic active pharmaceutical ingredient, or bulk material including such active pharmaceutical ingredient, that has not been formulated, compounded and prepared into dosage form, included in a medical device for

	dispensing, or otherwise been made ready for use by individuals.
Psychedelics	means any substance, chemical or compound or any kind that produces a hallucinogenic effect, including psilocybin, psilocin, ketamine, 3,4-Methylenedioxymethamphetamine (MDMA), Lysergic acid diethylamide, mescaline, peyote, diemethyltryptamine (DMT), and 2C-B but for the avoidance of doubt excludes cannabis.
Psychedelic Medicines	means any Psychedelic produced or manufactured for human consumption as a medicine.
Psychedelic Products	mean Psychedelic APIs and Psychedelic Medicines.
Psychedelic Raw Materials	means all Psychedelic starting materials, including spores, seeds, cuttings or tissue cultures.
Public Offer	means, in relation to the Offers, an offer to the general public in Australia and, subject to the restrictions in Sections 1.15 and 1.16, certain residents in the United Kingdom and Switzerland, to subscribe for up to 2,500,000 Shares in the Company.
R&D	means research and development.
SAS	means the Special Access Scheme, an application pathway that is evaluated by the TGA.
Section	means a section of this Prospectus.
Securities	means any securities, including Shares or Options, issued or granted by the Company.
Share or Reset Share	means a fully paid ordinary share in the capital of the Company.
Share Registry or Automic	means Automic Pty Ltd (ACN 152 260 814).
Shareholder	means a holder of one or more Shares in the Company.
Spin-Out Assets	means LGP's Psilocybin and Psychedelic related activities, contractual rights and associated know how, which are focused on the cultivation, production and procurement of, and medical research into, Psilocybin and Psychedelics.
Spin-Out Agreements	has the meaning given in Section 7.9(b).
Supply and Services Agreement	has the meaning in Section 8.2.
Supply Services	has the meaning in Section 8.2.
TGA	means the Therapeutic Goods Administration.
TGRs	means the <i>Therapeutic Goods Regulations 1990</i> (Cth).
TG Act	means the <i>Therapeutic Goods Act 1989</i> (Cth).

Underwriter	means LGP.
Underwritten Amount	has the meaning given in Section 1.3.
WA DOH	means the WA Department of Health.

Annexure A Independent Limited Assurance Report



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RESET MIND SCIENCES LIMITED

Independent Limited Assurance Report

9 November 2023



9 November 2023

The Directors
13A Bedbrook Place
Shenton Park
Western Australia 6008

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. INTRODUCTION

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Reset Mind Sciences Limited (**'Reset'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Reset, for the offer of shares (the **'Offers'**) in Reset, for inclusion in the Prospectus.

Reset was incorporated on 28 May 2021 as LGP Alternative Therapies Pty Ltd as a wholly owned subsidiary of Little Green Pharma (**'LGP'**). On 31 August 2021 the Company converted to an unlisted public company and on 30 September 2021, changed its name to Reset Mind Sciences Limited. The Company was established for the sole purpose of demerging LGP's Psilocybin and Psychedelic related operations (the **'Spin-Out'**).

On 8 February 2022, LGP announced it will undertake a demerger of Reset to effect the Spin-Out, pursuant to the Demerger Implementation Deed (**'DID'**). Implementation of the DID is anticipated to occur on or around 22 December 2023 and subject to the satisfaction or waiver of certain conditions, will see (i) LGP transfer and the Company acquire LGP's Psilocybin and Psychedelic related activities, contractual rights and associated know how, which are focused on the cultivation, production and procurement of, and medical research into, Psilocybin and Psychedelics (the **'Spin-Out Assets'**), and (ii) the Company demerge from LGP as a standalone company.

Broadly, the Offers in the Prospectus will comprise:

- An in-specie distribution of 10,000,000 pro-rata shares (**'In-specie Shares'**) based on 1 Reset Share for approximately 30 LGP Shares held on the In-specie Record Date to Eligible LGP Shareholders (the **'In-specie Distribution'**);
- A priority offer to Eligible LGP Shareholders of up to 5,000,000 Shares at an issue price of \$0.20 each to raise up to \$1,000,000 before costs (**'Priority Offer'**);

2

- An offer of up to 2,500,000 Shares at an issue price of \$0.20 each to raise up to \$500,000 before costs to select investors in Australia who have received an invitation from the Chairperson of the Company (**'Chair's List Offer'**); and
- An offer of up to 7,500,000 Shares at an issue price of \$0.20 each to raise up to \$1,500,000 before costs to the general public (**'Public Offer'**). The Public Offer is subject to a minimum subscription level of 2,500,000 Shares to raise \$500,000, to affect the Spin-Out.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. SCOPE

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Reset included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the period from incorporation to 31 December 2021 and year ended 31 December 2022;
- the reviewed historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the half-year ended 30 June 2023 (and comparatives for the half-year ended 30 June 2022); and
- the reviewed historical Statement of Financial Position as at 30 June 2023.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from the financial report of Reset for the period from incorporation to 31 December 2022 and financial year ended 31 December 2023, which was audited by BDO Audit (WA) Pty Ltd (**'BDO Audit'**) in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial report.

The Historical Financial Information has been extracted from the financial report of Reset for the half-year ended 30 June 2023, which was reviewed by BDO Audit in accordance with Australian Auditing Standards. BDO Audit issued an unmodified review conclusion on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the ‘Pro Forma Historical Financial Information’) of Reset included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2023.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Reset, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Reset to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Reset’s financial position as at 30 June 2023. As part of this process, information about Reset’s financial position has been extracted by Reset from the Company’s financial statements for the period ended 30 June 2023.

3. DIRECTORS’ RESPONSIBILITY

The directors of Reset are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. CONCLUSION

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the period from incorporation to 31 December 2021 and year ended 31 December 2022;
- the reviewed historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the half-year ended 30 June 2023 (and comparatives for the half-year ended 30 June 2022); and
- the reviewed historical Statement of Financial Position as at 30 June 2023,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position as at 30 June 2023,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. SUBSEQUENT EVENTS

Subsequent to 30 June 2023, and at the date of the demerger, the cash balance of \$230,556 held by Reset Mind Sciences Limited will be offset against the outstanding loan owing to Little Green Pharma Limited.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Reset not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. ASSUMPTIONS ADOPTED IN COMPILING THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2023, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- On the In-specie Record Date, and in conjunction to acquiring the Spin-Out Assets, the Company issued 10,000,000 in-specie Shares to eligible LGP shareholders. The outcome of the In-specie Distribution will see Eligible LGP Shareholders hold the same percentage in Reset as they do in LGP prior to the Company's proposed capital raising;

- The issue of 5,000,000 Shares under the Priority Offer at an offer price of \$0.20 each to raise \$1,000,000 before costs pursuant to the Prospectus;
- The issue of 2,500,000 Shares under the Chair’s List Offer at an offer price of \$0.20 each to raise \$500,000 before costs pursuant to the Prospectus;
- The issue of 2,500,000 Shares at an offer price of \$0.20 each to raise \$500,000 before costs pursuant to the Prospectus based on the minimum subscription;
- The issue of 7,500,000 Shares at an offer price of \$0.20 each to raise \$1,500,000 before costs pursuant to the Prospectus based on the maximum subscription;
- Repayment of loan of \$250,000 on maximum subscription.
- Costs of the Offer are estimated to be \$139,900. The costs of the Offers not directly attributable to the capital raising are expensed through accumulated losses while the remainder is offset against issued capital. The portion of costs expensed and capitalised is \$83,700 and \$56,200 respectively; and
- The issue of 500,000 Options to the Chief Executive Officer exercisable at \$0.30, with an expiry date 3 years from the date of issue being the date of the demerger (**‘Chief Executive Officer Options’**). The Chief Executive Officer Options have been valued at \$54,500 using the Black Scholes option pricing model. The issue of the Chief Executive Officer Options is reflected in the pro forma statement of financial position by an increase in reserves and accumulated losses;
- The issue of 300,000 Options to three executives of LGP who assisted in the Spin-Out, exercisable at \$0.30, with an expiry date 3 years from the date of issue being the date of the demerger (**‘LGP Officer Options’**). The LGP Officer Options have been valued at \$32,700 using the Black Scholes option pricing model. The issue of the LGP Officer Options is reflected in the pro forma statement of financial position by an increase in reserves and accumulated losses.

8. INDEPENDENCE

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. We note that BDO is the auditor of Reset.

9. DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However,

BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Adam Myers', is positioned above the printed name and title.

Adam Myers

Director

APPENDIX 1

RESET MIND SCIENCES LIMITED

PRO-FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed 30-Jun-23 \$	Subsequent events minimum \$	Pro-forma adjustments minimum \$	Pro-forma adjustments maximum \$	Pro-forma after Offers minimum \$	Pro-forma after Offers maximum \$
CURRENT ASSETS							
Cash and cash equivalents	2	230,556	(230,556)	2,000,000	2,750,000	2,000,000	2,750,000
Trade and other receivables		247,075	-	-	-	247,075	247,075
Prepaid expenses		12,335	-	-	-	12,335	12,335
TOTAL CURRENT ASSETS		489,966	(230,556)	2,000,000	2,750,000	2,259,410	3,009,410
NON-CURRENT ASSETS							
Property plant & equipment		343,842	-	-	-	343,842	343,842
Deposits		40,913	-	-	-	40,913	40,913
TOTAL NON-CURRENT ASSETS		384,755	-	-	-	384,755	384,755
TOTAL ASSETS		874,721	(230,556)	2,000,000	2,750,000	2,644,165	3,394,165
CURRENT LIABILITIES							
Trade and other payables		48,243	-	-	-	48,243	48,243
Accrued expenses		16,500	-	-	-	16,500	16,500
TOTAL CURRENT LIABILITIES		64,743	-	-	-	64,743	64,743
NON-CURRENT LIABILITIES							
Financial liabilities at amortised cost**	3	1,534,062	(230,556)	139,900	(110,100)	1,443,406	1,193,406
TOTAL NON-CURRENT LIABILITIES		1,534,062	(230,556)	139,900	(110,100)	1,443,406	1,193,406
TOTAL LIABILITIES		1,598,805	(230,556)	139,900	(110,100)	1,508,149	1,258,149
NET ASSETS/(LIABILITIES)		(724,084)	-	1,860,100	2,860,100	1,136,016	2,136,016
EQUITY							
Issued capital	4	100	-	1,943,800	2,932,560	1,943,900	2,932,660
Share based payment reserve	5	-	-	89,600	89,600	89,600	89,600
Accumulated losses	6	(724,184)	-	(173,300)	(162,060)	(897,484)	(886,244)
TOTAL EQUITY		(724,084)	-	1,860,100	2,860,100	1,136,016	2,136,016

**The terms of the loan between Little Green Pharma Limited and Reset Mind Sciences Limited specifies that the loan will have a maturity of 3 years and may be converted into equity upon completion of the loan term, subject to shareholder approval as necessary under item 7 s611. Additionally, the loan accrues interest at 10% capitalised annually.

The pro-forma statement of financial position after the Offers is as per the statement of financial position before the Offers adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 2 and Appendix 3.

APPENDIX 2

RESET MIND SCIENCES LIMITED

HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the half year ended 30-Jun-23 \$	Reviewed for the half year ended 30-Jun-22 \$	Audited for the year ended 31-Dec-22 \$	Audited for the period from incorporation to 31-Dec-21 \$
Revenue				
Other income	497,075	117,191	117,844	-
Expenses				
Consultancy expense	(46,164)	(69,255)	(141,623)	(53,493)
Studies and reports	(87,976)	(119,383)	(196,164)	(20,398)
Employee benefits expense	(250,914)	(114,854)	(230,218)	(126,016)
Depreciation & amortisation expense	(956)	-	(4,385)	-
Administration expense	(56,224)	(20,935)	(72,209)	(35,817)
Other expenses	(8,861)	-	(7,154)	(531)
Profit/(loss) before income tax expense	45,980	(207,236)	(533,909)	(236,255)
Income tax expense	-	-	-	-
Profit/(loss) after income tax expense	45,980	(207,236)	(533,909)	(236,255)
Other comprehensive income	-	-	-	-
Net profit/(loss) for the period	45,980	(207,236)	(533,909)	(236,255)

This statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 3. Past performance is not a guide to future performance.

APPENDIX 3
RESET MIND SCIENCES LIMITED
HISTORICAL STATEMENT OF CASH FLOWS

	Reviewed for the half year ended 30-Jun-23 \$	Reviewed for the half year ended 30-Jun-22 \$	Audited for the year ended 31-Dec-22 \$	Audited for the period from incorporation to 31-Dec-21 \$
Cash flows from operating activities				
Receipts from grants and subsidies	275,000	-	-	-
Payments to suppliers	(44,544)	-	-	-
Net cash flows from operating activities	230,456	-	-	-
Net cash flows from investing activities	-	-	-	-
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	100
Net cash flows from financing activities	-	-	-	100
Net increase /(decrease) in cash and cash equivalents	230,456	-	-	100
Cash and cash equivalents at the beginning of the period	100	100	100	-
Cash and cash equivalents at the end of the period	230,556	100	100	100

This consolidated statement of cash flows shows the historical cash flows of the Company and are to be read in conjunction with the notes to and forming part of the consolidated historical financial information set out in Appendix 4.

APPENDIX 4

RESET MIND SCIENCES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus and in the event that this is unsuccessful, continued financial support from the Company's parent entity, Little Green Pharma Limited. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Revenue recognition

The company recognises revenue as follows:

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related cost, for which it is intended to compensate, are expensed. Government grants relating to assets are regarded as a reduction of the asset.

d) Revenue recognition (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

e) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

h) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

h) Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	1-5 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

j) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

m) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

o) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

p) Contributed Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

q) Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. The model uses assumptions and estimates as inputs.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not

q) Share-based payment transactions (continued)

been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

r) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 2. Cash and cash equivalents	Reviewed 30-June-23 \$	Pro-forma after Offers minimum \$	Pro-forma after Offers maximum \$
Cash and cash equivalents	230,556	2,000,000	2,750,000
Reviewed balance as at 30 June 2023		230,556	230,556
<i>Subsequent events</i>			
Cash on hand offset to LGP loan account		(230,556)	(230,556)
<i>Pro-forma adjustments</i>			
Shares to be issued under the Priority Offer		1,000,000	1,000,000
Shares to be issued under the Chair's List Offer		500,000	500,000
Shares to be issued under the Public Offer		500,000	1,500,000
Cash costs of the Offers		(139,900)	(139,900)
Repayment of loan out of oversubscription		-	(250,000)
Total pro-forma adjustments		2,000,000	2,750,000
Pro-forma balance		2,000,000	2,750,000

Note 3. Financial liabilities at amortised cost	Reviewed 30-June-23 \$	Pro-forma after Offers minimum \$	Pro-forma after Offers maximum \$
Financial liabilities at amortised cost	1,534,062	1,443,406	1,193,406
Reviewed balance as at 30 June 2023		1,534,062	1,534,062
<i>Subsequent events</i>			
Cash on hand offset to LGP loan account		(230,556)	(230,556)
<i>Pro-forma adjustments</i>			
Cash costs of offer		139,900	139,900
Repayment of loan out of oversubscription		-	(250,000)
Total pro-forma adjustments		139,900	(110,100)
Pro-forma balance		1,443,406	1,193,406

Note 4. Issued capital	Reviewed 30-June-23 \$	Reviewed 30-June-23 \$	Pro-forma after Offers minimum \$	Pro-forma after Offers maximum \$
Issued capital	100		1,943,900	2,932,660
		Number of shares (min)	Number of shares (max)	
Reviewed balance as at 30 June 2023		100	100	100
		100	100	100
<i>Pro-forma adjustments</i>				
Shares to be distributed under the In-specie Distribution		10,000,000	10,000,000	-
Shares to be issued under the Priority Offer		5,000,000	5,000,000	1,000,000
Shares to be issued under the Chair's List Offer		2,500,000	2,500,000	500,000
Shares to be issued under the Public Offer		2,500,000	7,500,000	1,500,000
Capital raising costs of the Offer		-	-	(56,200)
Total pro-forma adjustments		20,000,000	25,000,000	1,943,800
Pro-forma balance		20,000,100	25,000,100	2,932,660

	Reviewed 30-June-23 \$	Pro-forma after Offers minimum \$	Pro-forma after Offers maximum \$
Note 5. Share-based payment reserve			
Share-based payments reserve	-	89,600	89,600
Reviewed balance as at 30 June 2023		-	-
<i>Pro-forma adjustments:</i>			
Issue of Chief Executive Officer Options		56,000	56,000
Issue of LGP Executive Options		33,600	33,600
Total pro-forma adjustments		89,600	89,600
Pro-forma Balance		89,600	89,600

Set below are the key inputs and terms used in the valuation of Options:

	Chief Executive Officer Options	LGP Executive Options
Number of options	500,000	300,000
Underlying share price	\$0.200	\$0.200
Exercise price	\$0.300	\$0.300
Expected volatility	100.00	100.00
Life of the options (years)	3.0	3.0
Expected dividends	Nil	Nil
Risk free rate	4.27%	4.27%
Value per option (\$)	\$0.112	\$0.112
Value per Tranche (\$)	\$56,000	\$33,600

	Reviewed 30-June-23 \$	Pro-forma after Offers minimum \$	Pro-forma after Offers maximum \$
Note 6. Accumulated losses			
Accumulated losses	(724,184)	(895,084)	(883,844)
Reviewed balance as at 30 June 2023		(724,184)	(724,184)
<i>Pro-forma adjustments:</i>			
Cost of Offer		(83,700)	(72,460)
Issue of Chief Executive Officer Options		(56,000)	(56,000)
Issue of LGP Executive Options		(33,600)	(33,600)
Total pro-forma adjustments		(173,300)	(162,060)
Pro-forma balance		(897,484)	(886,244)

6. RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

7. COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 5
FINANCIAL SERVICES GUIDE

9 November 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by **Reset Minds Sciences Limited** ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$16,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Reset for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000, or by telephone or email using the contact details within our report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within one business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.



1300 138 991

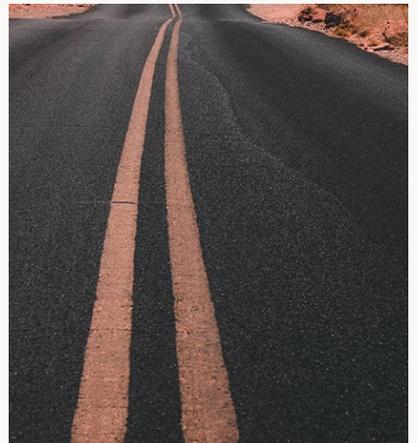
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